

OVERSIGHT OF THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991

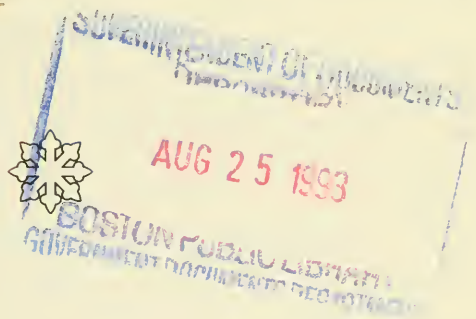
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Oversight of the Intermodal Surface...

HEARING BEFORE THE COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS UNITED STATES SENATE ONE HUNDRED THIRD CONGRESS FIRST SESSION

APRIL 14, 1993—KALISPELL, MONTANA

Printed for the use of the Committee on Environment and Public Works



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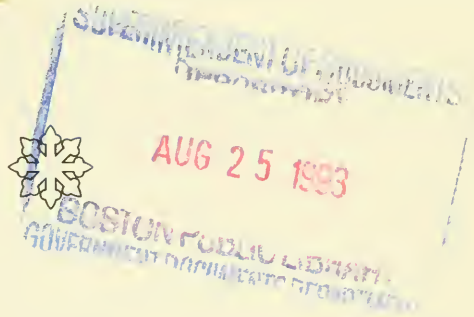
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OVERSIGHT OF THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991

WEDNESDAY, APRIL 14, 1993

U.S. SENATE,
COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS,
Kalispell, MT

The committee met, pursuant to notice, at 8:30 a.m. at Cavanaugh's Convention Center, 29 North Main Street, Kalispell, Montana, Hon. Max Baucus [chairman of the committee] presiding.

Present: Senators Baucus and Kempthorne.

OPENING STATEMENT OF HON. MAX BAUCUS, U.S. SENATOR FROM THE STATE OF MONTANA

Senator BAUCUS. The hearing will come to order. First I want to recognize and welcome everyone who is here today. This is a very large turnout. It speaks the importance of surface transportation issues not only in our part of the country, but particularly locally in Kalispell and Flathead.

I'm going to give a short statement and then introduce Senator Kempthorne of Idaho, a member of the committee who will be participating fully in the hearing. Then also I'll ask our primary star witness, Secretary Federico Peña, Secretary of Transportation, to give his statement. I will have a few questions of the Secretary as well Senator Kempthorne.

Following the Secretary's presentation and questions of him, I'll ask the Secretary to join us on the panel so that all three of us can hear the testimony of the remaining witnesses and also give each of the three of us an opportunity to ask questions of all the witnesses. I think that would be helpful to everyone involved because after all, a primary purpose of the hearing is not only to inform myself and Senator Kempthorne, but also inform the Secretary of issues that face us here in the Flathead, the region, and the Nation with respect to surface transportation. So that will be the general format.

This hearing is scheduled to last about three hours. We have to keep close tabs on that because the Secretary has a plane to catch and we also want to tour Highway 93, and that's going to take a little while. People have different views on how we should approach Highway 93. The point is, if we're going to conclude the hearing and also have time for the tour of Highway 93 and enable the Secretary to catch his plane, we're going to have to move along in an orderly fashion.

Before we proceed I would like to introduce some of our staff here. I'm doing so because at various times you will have opportunities to talk not only to myself and Senator Kempthorne and the Secretary, but you also may want to talk to various staff people who are associated with me or with the subcommittee.

First I would like to introduce my person here who runs my office here in Kalispell, Tracy Crabtree. Tracy, would you wave your hand? This is Tracy Crabtree. She runs my office here in Kalispell.

Curt Rich, also on my personal staff. Curt, can you just stand?

My chief transportation person is Kathy Ruffalo with the committee. Kathy, could you please stand?

Senator Chafee, the ranking member of the Environment and Public Works Committee, is unable to be here, but he sent one of his top people, Jean Lauver. Jean, would you please stand?

In addition, Gary Smith with Senator Kempthorne. Feel free to speak to Gary and, of course, to all the rest of us here.

Mr. Secretary, would you introduce your staff? I see Judith behind you.

Secretary PEÑA. Yes, Mr. Chairman. First is Judith Burrell. Judith, could you please stand? And I don't see Jenny Watson. Is Jenny here? Jenny Watson. Where are you Jenny? And Peter Romo way in the back. Peter, raise your hand. Those are our three people.

Senator BAUCUS. Essentially all of us are here today to review the implementation of the Intermodal Surface Transportation Efficiency Act of 1991, otherwise known as ISTEA. You're going to hear that word, ISTEA, a lot today. Most of you know what ISTEA means, but for some of those who have heard this term for the first time, ISTEA means the Intermodal Surface Transportation Efficiency Act, basically the Surface Transportation Act that Congress passed in 1991.

Kalispell is a perfect location for this hearing, and that's basically because of the tremendous growth in the Flathead. This is an area that is going through a lot of growth strains and certainly how we design and build highways in the Flathead is of major concern.

ISTEA is also a landmark bill that Congress passed in 1991. It made dramatic changes in our Nation's transportation policies. For the first time States were given increased flexibility to choose the types of projects that best suited their individual transportation needs. That's important. It's a major improvement over the previous surface transportation bill.

For instance, the needs of our State of Montana are dramatically different than the needs of more populated States, for example, New Jersey. Here in our State we have about four and a half people per square mile. In the State of New Jersey there are over a thousand people per square mile. So by giving States more options on the types of projects that can be funded, it allows States to make wise investment decisions.

When Congress was drafting ISTEA, I, as a Senator from a western State, joined with other western Senators to help educate members of Congress to the needs of large rural States. Frankly, I think our efforts were quite successful. For example, we in Montana re-

ceive about \$2.30 for every \$1.00 we contribute to Federal gasoline taxes. That is we receive about \$2.30 for Federal highway funds here in Montana for every \$1.00 we Montanans pay in Federal gasoline taxes. Under the previous transportation bill we in Montana received \$1.70. That's a significant improvement.

We're also, as a State, authorized to receive about one point four billion dollars for surface transportation over the life of ISTEA. ISTEA as you know expires at the end of fiscal 1997. And these are Federal funds that our State needs to maintain our extensive and our expansive transportation system.

As a Nation, I believe that investment in infrastructure is of critical importance and has been in dramatic decline in our country in the past 10 or 12 years. Results of this neglect are obvious. The United States is last today among its principal competitors in infrastructure investments. Japan for example invests 23 times more on its roads and bridges and airports and rail systems as does the United States, and Germany invests 15 times more. I recently read where over the next 10 years Japan plans to spend \$3.2 trillion on its Nation's infrastructure. The comparable figure in the United States is about \$1.2 trillion on infrastructure. Japan is a Nation whose geographic area is about the size of Montana. Its economy is about two thirds the size of our Nation's economy and yet they plan to spend in the neighborhood of two to three times more on infrastructure than our Nation in the next decade.

It's estimated that this Nation will need to spend over \$50 billion a year just to maintain, not to improve, but just to maintain the current conditions of our roads and our bridges. Here in Montana 40 percent of our bridges are deficient and in need of some repair. We have got to make transportation and infrastructure a priority in this country.

A lack of investment in transportation and infrastructure decreases our Nation's productivity. We live in a global marketplace. We can no longer look only at our domestic markets for future growth, rather must look overseas and seek foreign markets. With the goods we produce, it is imperative that our transportation system keep pace with changing times and with other countries' investments. I was interested to learn that international shipping companies, must plan the departure of their ships from Hong Kong so they arrive in Oakland during non-rush hour times. In other words, things are so bad planning has to go as far back in the transportation chain as Hong Kong. It would obviously be more productive if we had a transportation system that allowed us to move our products more efficiently.

Here in our State when the goods we produce, whether it be grain or timber, whatever, have to sit on a truck in a traffic jam, become damaged from pot holes in the roads, the cost is eventually passed on to both the producer and the consumer. With today's economic competition, we can no longer afford to ignore transportation infrastructure.

Congress responded to these needs when it passed the Intermodal Surface Transportation Efficiency Act. ISTEA was authorized at a level of over \$155 billion for a variety of transportation measures. This level of funding is a dramatic increase from previous transportation acts and signaled a Federal willingness to again recognize

the importance of a productive transportation system. For the first time, ISTEA recognized the important link between the environment and transportation.

Keep in mind that ISTEA is only 15 months old. In any bill that is as comprehensive as ISTEA it is only normal that there are some trouble spots. That is one reason why we're here today, to examine those trouble spots. ISTEA attempted to strike a balance between needs of rural and urban areas, but I do believe quite strongly there is significant need for fine tuning to be better assured that we rural States are affected by an act that does accommodate and reflect our rural needs.

Transportation spending is an investment. I cannot stress that enough. Infrastructure spending should not be seen as anything other than an investment in our future. I welcome the administration's budget proposal released last week. It calls for full funding of the highway programs in ISTEA. For Montana, this is extremely important. The Administration recognized the importance of transportation months ago when it formulated its Economic Stimulus Package. There is roughly three billion dollars for roads and bridges in the present Stimulus Package fully funding ISTEA for this fiscal year. Montana will receive about 29 million dollars in additional authority. This spending would not only improve our roads and bridges, but also create much needed economic activity and jobs.

The Package is in trouble in the Senate. As a number of our witnesses will state, it is important that for transportation funding to go forward with tremendous needs in Montana and the rest of the country, we cannot allow these funds to fall victim to partisan bickering.

ISTEA contains a number of important provisions, first and foremost the National Highway System. Montana, South Dakota and Wyoming have joined together to propose a national NHS plan. While this plan exceeds the individual States' mileage targets allocated by the Department of Transportation, there are very valid reasons for this and we have here today representatives from these States and they will be making a formal presentation of their proposal.

But I first want to say that when the Department of Transportation allocated these mileage targets, they were not fair and they were inequitable as they applied to Western States. The targets were too low and did not accurately reflect both the sizes and national importance of our States' highway system. Montana and our neighbors contribute much to the economic well-being of this nation. We export natural resources and agricultural products, exports that are valuable to the payments. For example, in our State we export at least 80 percent of our wheat. We have to have an NHS system that reflects this. I hope that Secretary Peña will listen closely to this proposal and recognize its merits. The NHS is critical to these States.

I look forward to the presentation by the State Departments of Transportation, and I might add, I read your statement last night. I can say it's one of the best statements not only on this subject, but any subject I have read in a long time. I can tell all of you, States put a lot of time and effort into it and I recommend their

testimony very, very highly to the Secretary and to all—everyone else who is concerned.

ISTEA also recognizes the importance of planning. Increased emphasis is placed on bringing the public into the planning of transportation projects. State Departments of Transportation must provide a variety of interested parties including the general public the opportunity to comment on proposed long-range transportation plans. It is important for all involved to have a safe say in the future transportation decision. Thus I am pleased to see all of you here today who are interested in and involved with the reconstruction of Highway 93.

Highway 93 is a good example of why ISTEA is so important to States like Montana. Flathead Valley is experiencing tremendous growth, nearly 20 percent from 1980 to 1990, yet it is the largest community in the State not served by a major interstate. Flathead Valley's appeal is right here before our eyes, when the clouds lift anyway. Swan, Whitefish mountain ranges are constant companions as one drives on 93 from Flathead to Whitefish or Glacier. ISTEA takes the beauty of these areas like the Flathead into account. In fact, it requires that highway planning incorporates such unique values.

During the next two years CRSS Consultants in conjunction with the Federal Highway Administration and Montana Department of Transportation will be conducting an EIS to determine what type of highway design best suits the needs, both present and future, of an area so blessed with scenic beauty yet growing and changing so quickly.

Next week is earth week. It is fitting that we are here today to discuss ISTEA. ISTEA gives States the tools they need to meet their environmental commitments. ISTEA has strengthened the balance between transportation and environment. We cannot just build more and more roads. While highways are important, we also have to be willing to look at alternatives. Fifty-one percent of the Department of Transportation's budget is within the Federal Highway Administration and directly under the jurisdiction of the Environment and Public Works Committee. So it is important that the Secretary is here today to discuss these programs and other transportation issues. With 71 percent of the Department's proposed budget being spent on capital investments and infrastructure, it is important that we have the proper oversight for the Department to insure wise investment decisions.

Transportation is the fabric of our society. We can no longer ignore it. A productive transportation system will contribute to our quality of life. A crumbling and decaying system will only detract from it. Just as our transportation has played a critical role in our past, it will be a major factor in determining our future.

With that I ask Senator Kempthorne if he has any remarks to make, and I look forward very much to this hearing because I believe it's going to go a long way to not only fine tuning, but approving the Act.

Senator Kempthorne?

OPENING STATEMENT OF HON. DIRK KEMPTHORNE, U.S.
SENATOR FROM THE STATE OF IDAHO

Senator KEMPTHORNE. Thank you, Mr. Chairman. Mr. Chairman, thank you very much for the introduction and for your opening remarks. I don't think anyone can come to Montana without acknowledging the wonderful beauty of this State. I know, Mr. Chairman, that you and I share a common feeling of honor to serve such great States as Montana and Idaho and people that live in those two beautiful States.

I also want to commend you, Mr. Chairman, for the courtesy and for the professionalism that you extend to all members of the Environment and Public Works Committee. I know that your energy is going to help us achieve some great accomplishments in that Committee and I appreciate your attitude and leadership.

I also think that public hearings of this kind are very important for those of us that have been elected to serve in Washington, D.C. It's important to get out of Washington as often as possible to hear firsthand from the very people that we are back representing.

Secretary Peña, it is always a pleasure to be with you. I want to say that, with your background as having been a former mayor as I was a former mayor, I appreciate your "can do" attitude. I think you're going to bring some great style to the position of Secretary of Transportation that will be very welcome. I also want to acknowledge that I think one of your first decisions was outstanding, and that was in selecting Judith Burrell to become a member of your staff. I worked with Judith in the US Counsel of Mayors and there's a very talented individual that you have with you.

Also, Mr. Secretary, you will find that in my comments this morning I will quote you on occasion because I happen to agree with you on a number of these issues that we will be discussing this morning.

These are challenging times for my State of Idaho and for all of the Western States as we are prepared to meet the transportation needs of the future while we continue to aggressively address the much needed infrastructure repairs of the present. I believe that communication between local government and the Federal Government is critical in development of both short-term and long-term solutions to the funding of highway improvements and the implementation of projects once they are approved. That's why I supported your appointment, Mr. Secretary, because I know that as a former mayor you understand and appreciate the role that the Federal Government should play in its relationship with local government.

I was encouraged by your answers to my questions during your confirmation hearing. At that time you stated your support for two critical actions that must occur if we are to insure the economic vitality of both the Highway Trust Fund and the goals and objectives of the Intermodal Surface Transportation Efficiency Act. First you stated the current five cents per gallon highway user tax which is scheduled to expire in 1995 must be extended. Coupled with that you stated, and I quote, "We need to restore the concept of trust to the trust funds," unquote. I wholeheartedly agree that we must change the present situation, where two and a half cents

goes into the trust account and two and a half cents goes into the General Fund for deficit reduction. It is blatantly unfair and inappropriate to divert user fee revenues to any use other than those for which they are collected and intended. The citizens of this country have every right to expect that the monies that we pay at the fuel pump will go directly into better and safer roads and bridges. I pledge my support to restore the integrity of this trust fund, an example of the most fair revenue source in existence, which is the user fee.

Another problem that exists for States is that even though Highway Trust Fund revenues are dedicated to transportation purposes, the funds have been placed under the Unified Federal Budget and as such are subject to the budget deficit reduction caps placed on the overall budget.

In a January 11th letter to me, the acting director of the Idaho Department of Transportation, Keith Green, stated that if the spending caps were removed, Idaho would have access to an additional \$28.7 million, very near \$29 million, that Chairman Baucus referenced for Montana. These monies would mean approximately a thousand jobs to the State of Idaho in highway construction-related employment.

He further stated and I quote, "Withholding of these highway user revenues only serves the purpose of making the Federal budget deficit appear smaller and it does nothing to promote economic recovery." And I agree totally with Keith. We don't need an expensive tax increase package to build highways and put Americans back to work. We simply need to release the trust fund user fees to their intended purpose and let the local units of government get about the business of rebuilding our communities. The message is clear and I believe that our mission is well defined.

I'm here today to listen to the testimony of the talented panel of witnesses that has been put together and I pledge to work with all of you as we seek solutions to the challenges before us.

Mr. Chairman, thank you very much.

Senator BAUCUS. Thank you, very much, Senator.

I would like to introduce our primary witness, Secretary Peña. This is the Secretary's first visit to Montana and he has already done a little homework. Yesterday when he flew to Billings and got off the plane he had a comment on the size and expanse of our State. He learned that Montana is the fourth largest State in the Nation. That was something he did not know before and I was very impressed that he started doing his homework to find out as much as he could about Montana.

I'm even more impressed though with the fact that he is still a westerner. We all know that the Secretary is a former mayor of Denver, Rocky Mountain State. But listening to the Secretary describe the difficulties he and his wife have adjusting to Washington, D.C., it's very refreshing and comforting that he not only does not have Potomac fever, but he very much is a western representative and it runs in his veins and it's the core of his personality.

We're very honored to have the Secretary with us here today and yesterday in Billings. He's taking a lot of time out of his schedule to come learn more about our State and we are very grateful for that.

So Mr. Secretary, we're honored to have you. Say whatever you have to say. You have as much time as you wish to take.

**STATEMENT OF HON. FEDERICO PEÑA, SECRETARY,
DEPARTMENT OF TRANSPORTATION**

Secretary PEÑA. Thank you very much, Mr. Chairman. And let me assure you and all the great citizens who are here at the hearing that I'm not going to take a lot of time because we're really here to listen to them and get their thoughts on how we can do a better job as we implement ISTEA.

Mr. Chairman, I neglected to introduce one of our representatives from Colorado, Mr. Charles Duncan from the Federal Highway Administration Region 8. Charles, would you stand up? I think people in this audience probably already know him. I want to make sure that he was introduced.

Senator BAUCUS. Thank you.

Secretary PEÑA. Second, Mr. Chairman, I want to again congratulate you, one, because of your chairmanship of this Committee, and, two, because I think the American people and I'm sure people here in your State know about the leadership that you provided some time ago in getting this legislation passed. They know your concern about, as you stated in your opening remarks, about how we need to invest in needed infrastructure in our country and at the same time to try to bring some thoughtful balance to issues like the environment and to quality of life. That kind of leadership I think is badly needed in the country.

I look forward to working with you as Chairman of this Committee, and I congratulate you for holding this hearing out here. I'm very happy to be here in Big Sky Country because as you just stated, Washington's weather has not been very pleasant these days and it's nice to be here to experience this outstanding quality of life. So again, I look forward to working with you and other members of the committee.

And to Senator Kempthorne, again, congratulations on your election. As fellow mayors we dealt with many issues together and I know that we will bring the same kind of concern from the local level as we begin to implement these very important national laws. So I look forward to working with you also.

Mr. Chairman, before I discuss with a little more specificity particular aspects of ISTEA and some of the concerns that we want to raise with respect to the rural and small communities of our country, I think it might be helpful to share a little of the broader vision that I would like to bring to the Department and then let me focus on the more specific aspects of ISTEA.

First of all, it became very clear to me that we needed to make a commitment by this new Administration to fully fund ISTEA. There is no sense in the Congress going through all of the difficulty it went through in 1991 to get this legislation passed if we don't fully fund it. I am very committed to that and I'm going to talk a little bit about that today.

Second, I agree with your opening comments a hundred percent, and that is recognizing the tremendous importance that investment in infrastructure has to our economy in making this Nation

competitive again. As the Secretary of Transportation, my very high priority is going to be to help educate our people out here in Montana. In this area many people already know about the importance of highway investment, etc., but there are parts of the country where the public still does not understand the importance of investing in infrastructure and how that will make our country more competitive, and with that, also have concern for the environment. I came from a city that had a very difficult air pollution problem. We violated carbon monoxide standards I think 63 days out of the year when I was first elected mayor. I believe there is a very thoughtful way in which we can invest in highway infrastructure and other transportation infrastructure and at the same time respect the environment.

The third point is this concept of intermodalism, how we can integrate all of the modes of transportation, whether it's airports or rail or highways or transit, in a way so that we can move people and goods and services more efficiently throughout the country. That really is what we're all about and I want to bring that philosophy to the Department of Transportation.

Fourthly is a commitment to new technology. I hope we are more than simply investing in steel and bricks and concrete in highways and all the other transportation modes that we have. We also ought to be about the business of bringing new technology to our country.

I was very saddened back in February when I was in Washington and I took the Amtrak Demonstration X 2000 train which is a new train technology. I learned that X 2000 technology was actually invented by Americans about 15 years ago, but because we were not willing or able to invest in a supportive capacity with those thoughtful people, that technology went to Europe. Now here we are as Americans buying the X 2000 technology from Sweden or Spain rather than buying it from the American manufacturing companies. We have to invest in new technology in our country and get back our place in the globe, as you talked about the leadership of Japan and Germany and many other countries. That's going to be a high priority.

Last is to focus on parts of the transportation sector which are in trouble. We have an airline industry that is in very big trouble. Yesterday I thought we heard very good information about the EAS program, and how important that is to the rural areas, as were as the whole question of inter-city bus transportation, very important issue out here in the west. Those are areas where I really want to put a lot of attention.

Finally, I want to begin to think about where we go beyond ISTEA. We just adopted ISTEA in 1991, but it's going to expire in a few years. What is the next implementation of this investment?

We're going to spend a lot of time working on these issues. I wanted to just first of all bring those very broad issues to the attention of the committee and also to the public which is here today.

Let me begin to be a little more specific, Mr. Chairman and Senator Kempthorne, about our emphasis. One, the Economic Stimulus Package which is now before the Senate. I emphasized at the very beginning of my comments that I strongly supported fully funding ISTEA. We have achieved part of that in the Stimulus Package. In

the \$30 billion proposal the President made, we will fully fund the highway portion of ISTEA. That's about a three billion dollar investment which is very important to fulfilling the goal and the spirit of ISTEA when it was first passed. This will create about 70 thousand jobs. We think it's very important.

There is also included in that package \$750 million dollars for transit programs nationwide. I know that transit issues are also very important out here in the west and so I think we're beginning to at least address this concept of trying to fully fund ISTEA under the Stimulus Package.

Second is the 1994 budget which was just released last week. There we want to continue the commitments that we're making in the stimulus program, assuming that we can get the stimulus program passed. For example, in the 1994 budget we also are recommending fully funding the highway portion of ISTEA. That will be about 20.5 billion dollars for 1994.

Next, turning to the point that Senator Kempthorne made about restoring trust to the trust funds. Senator, I agree with you a hundred percent and I'm happy to tell you that we have reached agreements with OMB so in 1995 we will, recommend taking the two and a half cents that was being used for deficit reduction and putting that back where it belongs in this program. And the way we're going to do that is to put two cents back into the highway account and half a cent into the transit account. I understand that was sort of the philosophy or the compromise that was reached in 1991 when the legislation was passed. We're trying to enact that philosophy. But the important thing is to not use the two and a half cent gas tax money for deficit reduction but put it where it belongs, and that is investment in transportation infrastructure. So I think we will accomplish that objective.

With respect to the transit area for fiscal year 1994, we are requesting 4.6 billion dollars. That's a 21 percent increase for transit. I know you're aware of the fact that previous administrations were not very supportive of transit. This Administration has a much different view about transit and its role in the American transportation system. And so we're going to make that investment in transit and that focus will be on long-term capital investment to upgrade rail facilities, rail rolling stock, replacing buses and vans and to rehabilitate bus facilities.

Yesterday when we were in Billings, for example, we heard from people who are very concerned because they are trying to transport senior citizens, people with disabilities, from one small city to another in vans that are 13, 14 years old. They don't have the equipment they need. They're working very hard to provide these services. I'm hopeful that this commitment we're making will assist them in the area of transit.

The next area I would like to talk about very briefly, Mr. Chairman, is the National Highway System, and I fully understand and appreciate how much of a concern this is to the west and to this part of the country in particular. I know that there will be many people talking about that today. The National Highway System is clearly a central feature of ISTEA. It will provide an interconnected system of principal arterial routes which will serve major population centers, and international border crossings. Yesterday we

had a discussion about the impact on Canada, US and Mexico if the Free Trade Agreement passes and the concern people have in Montana on how to take advantage of that, with connections to ports and airports, public transportation facilities, other intermodal transportation facilities and major travel destinations. The NHS must meet the national defense requirements and of course serve interstate and interregional travel.

As you know, the designation is ongoing today. The States have been working with local governments and those submissions are due by the end of this month. We then must take those submissions and by December present to the Congress the Department of Transportation's view in that regard. I know that there are concerns in the west about adding to the system and I look forward to hearing that testimony today and apparently we will be receiving a formal proposal today.

I simply would like to say that the submission that the Department of Transportation made first to the Congress in the 150 thousand mile illustrative NHS program as I understand it would serve 55 of the 58 urban areas in the four-State region here, Montana, Wyoming, North Dakota and South Dakota, particularly those areas that have five thousand population or greater. They will all be served by the proposal that was part of that plan that was submitted a year or so ago. My understanding is that our headquarters staff will meet with representatives of the four States. I don't know why Idaho is not here. We'll find out in a second. But for those four States, there will be a meeting in May in North Dakota to begin to talk about those issues.

Let me now talk a little bit about rural issues. We are very pleased about the Rural Technical Assistance Program which has now been expanded in ISTEA to what is called the Local Technical Assistance Program. This will be giving local officials access to state-of-the-art technologies to meet growing demands on rural roads, bridges and public transportation facilities. Yesterday we were on a bridge in Billings, a bridge that's been a major problem for a lot of years serving as a real bottleneck for people who are trying to get in and out of Billings. So I think I understand how important repairing and restoring bridges in the rural communities are to our nation.

With respect to rural transit, the Federal Transit Administration will provide public transit support in rural and small urban areas under Section 18. Funds are apportioned annually to the States and are available for capital and operating and administrative expenses.

To help grantees take full advantage of rural public transportation assistance, FTA recently revised its Section 18 program guidance, which is now widely available in the States. Further, the agency has co-sponsored a series of eight ISTEA workshops for rural and small urban officials since January of this year and we want to encourage people to continue to participate in that effort.

Let me talk a little bit about ISTEA and the Clean Air Act. As we all know, the Clean Air Act Amendments of 1990 together with ISTEA call for significant changes in the way in which we go about meeting transportation and air quality goals. And as I said during my testimony when I was going through my confirmation process, I

want to bring that new focus to the Department. I believe that ISTEA complements the Clean Air Act by providing funds and giving State and local officials the flexibility they need to help create a balanced, environmentally sound intermodal transportation system.

The Department of Transportation and the Environmental Protection Agency are working on a final conformity rule to give some guidance to the States and the metropolitan planning organizations, and that rule is going to be completed. We want to invite the public to comment on those rules. Public comments are due in early May. A final ruling is required by October 15.

On that point I was mentioning to the Chairman earlier this morning we are going to be working much more closely with EPA. I think in the past the Department of Transportation has sort of viewed air pollution issues and environmental issues as solely the responsibility of the Environmental Protection Agency. I have a much different view about that, and Carol Browner and I have already met once. We will be meeting monthly to coordinate our work between Transportation, EPA and probably the Department of Energy because we think it makes much better sense if we can work together in providing a uniform position to the Nation and to State and local officials.

Mr. Chairman, there are a lot of enhancement programs for rural areas that we think are very exciting which are occurring today in Region 8 and which we want to continue. In Colorado, for example, half a million dollars of enhancement funds are being used to remove signs from scenic byways. Here in this State, in Montana, the State is distributing enhancement funds to cities and counties. Idaho has a bike and a pedestrian trail along I-90 as well as funding a Statewide analysis of highway stormwater runoff.

So State after State we're finding that enhancement area funding is giving States an opportunity to be very creative, to work with local groups, private sector organizations, bringing communities together I think in a way which is very important to our nation.

Mr. Chairman, let me end, because I want to make sure that we have ample time to hear testimony from all the people who have traveled long distances to be here today, to talk about the area of safety. Safety continues to be a very high priority for the Department of Transportation.

In the motor carrier safety area I'm very pleased that most States in this region have taken advantage of the expanded scope of the safety program. In Montana your State has increased its motor carrier inspections from 15,600 in 1988 to over 20 thousand in 1992. And in Montana, Highway Patrol Officers and the Motor Carrier Service have been trained in a license inspection program to complete what's called Level 1 inspections. We think that kind of a commitment is very important in safety.

Let me address one subject in the area of safety, Mr. Chairman, and for which I know is of great concern out west, and one that's a very sensitive issue. That has to do with the provision in ISTEA that deals with the use of helmets for motorcyclists and for the use of safety belts. When I was a legislator in Colorado, Colorado had a helmet law and the State repealed it and it was an excruciating

debate. That happened the year before I was elected and I can recall what a difficult experience that was. People arguing rightfully that this was a question of States' rights and that we needed to make these decisions at the local level. On the other hand, people are arguing that individuals were experiencing very significant and dramatic injuries by not having helmets.

The Congress has acted on that matter. Under the ISTEA, it is my responsibility to enforce the provisions of ISTEA with respect to helmet laws and motor vehicle crashes, which of course are a very significant problem, particularly in the rural areas. So we want to work with you, Mr. Chairman and the Congress, to move forward I think in a very constructive way. I think the Congress approached this issue very deliberately and I think that we need to ensure safety in our highways.

You know, we talk about health care reform and the President and the First Lady are working very hard to bring health care reform in our country. And when I think about the extensive injuries that we see on our highways throughout the country, the people not applying safety provisions and the impact that it has on our health care system, I must think the situation has to be corrected.

NHTSA is going to provide technical assistance to help States improve the delivery of emergency medical services, particularly in the rural areas. We find that about 60 percent of our nation's motor vehicle deaths occur in rural areas, and poor access to emergency care in rural areas contributes to a higher fatality rate. We're going to continue to be very involved there.

Let me close my testimony this morning, Mr. Chairman and Senator Kempthorne, by simply saying we are excited about having the responsibility of implementing ISTEA. It presents us with a great challenge. We think ISTEA implementation has greater opportunities for the nation. I'm excited to see the amount of interest and concern there is in this part of the country for investing in transportation infrastructure and the high visibility these programs have in this State and throughout the region. I look forward to working with you, Mr. Chairman and Senator Kempthorne and other members of the committee, in moving and implementing this legislation in years to come. Thank you very much.

Senator BAUCUS. Thank you very much, Mr. Secretary. Well deserved.

I wonder if you could tell us the current state of negotiations on the Stimulus Package. I think it's very important. I know the President does. It's hung up in the Senate. Could you tell us to the best of your knowledge the current state?

Secretary PEÑA. Well, Mr. Chairman, the current state is a little uncertain. I think there are various proposals that are being floated about as to whether there's a possible compromise. My view is that we need to fully pass the stimulus program, because I think it needs to be seen as a package. There has been a lot of emphasis on the spending side, on the three billion dollar investment in highways, on the \$4.1 billion dollar total investment in transportation, and on the investment of almost three and a half billion dollars in Community Development Block Grant funds which comes both

from small cities and large cities across the country, and other investments.

What has not been talked about in the Stimulus Package are the many dollars of tax incentives that go to small business people for example. So I think that we need to get the Stimulus Package passed. It is a very important step in re-invigorating our economy particularly in this State.

Yesterday, for example, when we were on that bridge—and this was an unsolicited comment—when we walked by those construction workers and the first thing out of their mouth was, “We need more projects. We need more projects.” We didn’t ask them to say that. It’s clear here that the unemployment rate in construction is 15 percent across the country. These programs are very much wanted here.

While there are discussions going on, Mr. Chairman, about the stimulus program, I continue to remain hopeful that we can get the whole program passed intact.

Senator BAUCUS. I appreciate that and I agree. I think this whole debate loses sight of the fact that the entire package contemplates a \$500 billion deficit reduction. Some people may shoot at various small parts of the program, but the total is a \$500 billion deficit reduction over five years, the greatest deficit reduction effort ever undertaken by any president. I think that’s important to remember.

Could you tell us, to the best of your knowledge, how well States are able to meet their match with ISTEA fully funded? As you know, we in our State are about to pass a seven cents increase in our State gasoline tax over a couple years essentially so we are in a position in Montana to be able to meet our State match so that we can take advantage of full funding of ISTEA. Could you tell us the degree to which other States will be able to meet their match?

Secretary PEÑA. Generally speaking I can, Mr. Chairman, and we would be happy to give you a State-by-State breakdown. But as a general rule, we are finding that most States, in fact an overwhelming proportion of the States, are able to come up with the match.

Senator BAUCUS. And that’s essentially a 20 percent match?

Secretary PEÑA. That's right. And more interestingly, there are States like California, and we heard examples yesterday in this State, where some people are over matching. They're raising additional local funds because they're concerned there is not enough funding from the Federal level. They're coming in and saying, "We'll go beyond our 20 percent match. We'll put in 30 percent if that will help direct some Federal funds to our community," and that of course leverage limited Federal dollars.

But having said that, there are a few States where there's a concern about the matching provision. Particularly, there is concern for a match that is required by local communities that have a lot of urban stress and are experiencing infinite economic financial problems. But generally speaking, I think most areas are able to come up with the match.

Senator BAUCUS. Could you, provide a list of States, for comparison, which are unable to be fully funded by ISTEA?

Secretary PEÑA. We can do that.

[The information requested follows:]

U. S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION

TEMPORARY MATCHING FUND WAIVER
PROJECTS APPROVED AND AMOUNTS PAID
AS OF APRIL 30, 1993

STATE	NUMBER OF PROJECTS	WAIVER AMOUNT OBLIGATED	PAID	TOTAL FEDERAL OBLIGATION
ALASKA	1	\$0	\$164	\$9,600,000
MAINE	1	327,912	0	3,689,005
MARYLAND	194	43,423,295	8,614,486	144,790,565
NEW MEXICO	1	49,300	0	289,300
NEW YORK	458	62,431,762	22,341,069	289,184,707
NORTH DAKOTA	22	9,044,073	2,741,795	50,429,736
OHIO	1	0	6,037	0
VERMONT	228	16,658,061	5,483,432	91,694,854
PUERTO RICO	7	12,100,139	133,386	27,273,479
TOTAL	913	\$144,034,542	\$39,320,369	\$616,951,646

Senator BAUCUS. I was heartened by your request to extend the two and a half cents of Federal gasoline tax, but also that it be diverted to the trust fund. I'm heartened because I think that's necessary if the trust fund is going to be fully funded.

There are two problems though. One is that you say that two and a half cents, highway account, and one half cent of the two and a half cents will go to the transit account. You say that that's because of historical precedent that's been split in the past. I'm a bit concerned frankly with that split, because, as you well know, the highway account is under serious strain. The transit account on the other hand is flush. More dollars there than they know what to do with. They don't need that half cent. The highway account desperately needs not only its two cents but the extra half cent. Senator Kempthorne said user fees should be for users. Gasoline tax essentially is for surface transportation and highway account, not so much for the transit account. So I'm wondering if you could explain to the committee why it doesn't make sense for the full two and a half cents to go to the highway account.

Secretary PEÑA. Mr. Chairman, you've asked a very thoughtful question and my answer is two-fold. One, I was relying on a number of members of the House and the Senate who worked as you did on the ISTEA legislation. Originally when we first talked about the two and a half cent gas tax, we were going to put it all in the highway account. Perhaps I underestimated the reaction of doing that. The people came forward and said, "That does not reflect the spirit of the compromise reached in 1991." I was not a part of that compromise and so I'm relying on the judgment of others who are giving me their best recollection of that debate. But having spoken to a lot of people, I think this is probably a balanced approach.

Now, there is one asterisk here which I did not mention. We have projected that beyond 1995, 1996, 1997, even with the two cents that goes into the highway account, there's the potential in the out years for the highway account being affected negatively. Because of that, we are proposing language in the 1994 budget which says that in the event there is a problem in the highway account in the out years, 1997, 1998, 1999, the highway account can borrow money from the transit account. You're correct. In those out years the transit account surplus will be somewhat significant and there are a lot of reasons for that.

Senator BAUCUS. I guess currently about \$8 billion.

Secretary PEÑA. That's right, and of course the transit people argue it's because we haven't given them the opportunity to spend more money. Be that as it may, I think that will take care of that potential problem.

Now, the reality, Mr. Chairman, that long before we get to that potential dilemma, the Congress is going to enact some other legislation to replace ISTEA. We're going to deal with that issue probably in 1995.

Senator BAUCUS. Yes. I think you're right in saying that even with two cents and even if there is two and a half cents from deficit reduction diverted to the highway account, probably by 1998 to the end of ISTEA, even then the highway account is going to be in jeopardy and the Byrd Rule will probably be triggered. As you well

know, the Byrd Rule is named not after Senator Robert Byrd, President pro tempore of the Senate, but rather Harry Byrd, former Senator from the State of Virginia. Under the Byrd Rule, if current obligations are not met by current cash plus two years' anticipated revenue, then all payments to all States had to be proportionately reduced. And it appears as of this point that the Byrd Rule probably will be triggered even with the two cents or even with the two and a half cents transfer from deficit reduction to the highway account by 1998.

If that's the case, and I think that most people think that probably is the case, why not correct the problem now rather than worry about it later and have to borrow from the transit account? Because we'll have a big brouhaha, just a tremendous debate, that is, the big city mayors saying "No, No, No. You can't do that," and so on, and we're going to find ourselves in a heck of a pickle. Doesn't it make sense to correct that problem earlier on and to participate in that problem by either transferring half a cent to the highway account, but also triggering in the transfer earlier, that is not the end of fiscal 1995 but, say, fiscal 1994? It will have no adverse effect on the deficit because of the unified deficit procedures that we follow. Nevertheless, it will provide more money to the highway. Why not just accelerate the timing, number one, and, number two, put the half cent in, because if there's a greater need in the out years for transit money, and I don't think there's going to be because it's so flush right now, but if there's a need in that account, then we address that problem later. Why doesn't that scenario make more sense?

Secretary PEÑA. Senator, I've raised that question in some fashion with the head of OMB to see if that was an option. There was some concern about that. I'm happy to raise it again, but I at least did present the concept.

Second, there is no, at least from my perspective, perfect solution here, and what we're trying to do obviously is to strike a balance. I know that there are very strong feelings on both sides of the issue. The message that I was receiving from various members of the House and Senate was that no split between the highway monies and the transit monies was seen as something that was a very significant problem for the Department. So I was trying to be responsive to as many groups as possible, and of course you always get in trouble when you do that and I'm probably in trouble now. But we're trying to shape the most balanced approach here.

At any rate, we know that it is not a perfect solution. My concern was that we have an honest budget so that when you look to the next four years, five years, we could honestly say that the problem was taken care of by having this provision which allows for borrowing if in fact we run up against the Byrd amendment. Beyond that, you're right. We will have to review this problem again in the future. It will probably be just as thorny then as it is today, but I'm happy to listen to other ideas.

Senator BAUCUS. This is going to be an area we have to explore in the future. But I think you understand my concern.

Secretary PEÑA. Yes.

Senator BAUCUS. It's a concern shared by many members of the committee.

Very briefly, how does the Department plan to deal with the 15 percent plus/minus requirement with respect to NHS in various States? Under the law, plus/minus 15 percent in NHS applies nationwide, and the Department has essentially applied that on a State-by-State basis as well. How does the Department tend to deal with requests of the four States here concerned, and I think deserve more than 15 percent, which will necessarily not allow other States to increase 15 percent?

Secretary PEÑA. Mr. Chairman, I don't have a specific answer right now because the Department does not have a final position on that question. I can tell you that I think on Friday we're going to spend significant time in the Department beginning to have a very intensive discussion about this. Obviously we want to not necessarily wait until the end of the month before we get all these submissions back in, but we have not yet outlined the specific process we're going to use in trying to answer that question.

I'm hopeful that in the next two weeks or so I'll have a better sense of the guidelines and the criteria that we're going to apply internally in making our decision. Obviously it's going to be reviewed by many people and I want to be able to say that we have at least made decisions on some objective criteria and not just based on some subjective judgment on my part. We have not finalized that yet.

Senator BAUCUS. Does the Department anticipate any difficulty meeting the December 18 deadline for submission of the NHS?

Secretary PEÑA. Mr. Chairman, I will say, not having spoken to people who are working with us on a daily basis, we are going to meet our deadline. I have brought a different philosophy to this Department, and that is to meet our deadlines. In meeting deadline for regulations and making decisions, we owe it to the American public and members of Congress who have given us these guidelines to meet them, so we will have your final proposal to you on I think it's December 1st or November 30th, whichever it is. But you will have it on time.

Senator BAUCUS. When we were on tour yesterday of the highway project, one of the contractors voiced concern about the next couple years the 5 percent and 10 percent and the 15 percent and the 20 percent requirement for recycled rubber and asphalt. The contractor's concerns were, first of all, some one person has a patent on this process and getting a big windfall. Second, we don't know much about this. It may not make a lot of sense to have that kind of requirement. Safety and health; there's a requirement in the Act that EPA and DOT examine that aspect, but, in terms of their ability. I know you haven't had a lot of time to think about this issue, but I wonder if you could, for the sake of those contractors concerned about that requirement, just give us your initial thoughts.

Secretary PEÑA. Well, first of all, I'm going to take back with me this new information that we picked up yesterday about this particular problem, which I was unaware of, and I think that's why these visits are very helpful to me.

Second, there have been, in addition to those concerns, some questions raised about potential health effects on workers. We are doing an analysis of that today. I think that work will be complet-

ed very shortly, and as soon as we complete it we'll be able to share it with the committee because that may be an additional issue.

But there are some unanswered questions here, questions about whether or not you can use shredded tires for filling in as opposed to actual reconstruction of the highway. We are going to look at this very carefully. We obviously have a mandate in the law, but I think it's our responsibility to come back as you said in your opening comment and say this particular provision may need some adjustment. And if adjustments are needed, we will certainly bring that to your attention.

Senator BAUCUS. That's important because Senator Chafee, a long-time member of this Committee, reacted to all issues before this Committee and was very concerned about this issue. He'll be watching it very closely, maybe from a little bit different perspective, but nevertheless watching it very closely.

Thank you very much. Senator Kempthorne?

Senator KEMPTHORNE. Thank you, Mr. Chairman.

Just two quick questions, Mr. Secretary, and then one statement.

We've referenced the Stimulus Package. We note there are 43 republicans that have been voting against that, and I'm one of the 43, and it is sufficiently called the Emergency Supplemental Appropriation. I think the real emergency in the country is the \$4 trillion debt. While it may be the largest deficit reduction package, it is also the largest taxing package we've ever had, and the cards that I'm getting are solidly encouraging me to cut spending first. I wanted to state that so that I didn't sit here quietly and people wonder, "Why are you voting this way and not speaking out?" For the record, this is not the place to debate it.

The questions to you, Mr. Secretary. First of all, we've talked about the funding that is necessary for the Western States that are large land masses sparsely populated. Do you see any difficulty in the future for the integrity of that sort of formula to continue so that the Western States, States that are represented today, should have any concerns that format would change?

Secretary PEÑA. Senator, there is no intention on my part and certainly no discussion about doing anything to erode the current status that the Western States have in this regard. If there is any discussion about that, I would certainly like to know about it. There's not any in my Department.

Senator KEMPTHORNE. Good. I appreciate that.

My final question. In the State of Idaho, for example, I'm told that there is less Federal aid available for highways and bridges on the State Highway System under ISTEA than under previous acts. And so my question would be as we devise that National Highway System, should States be working toward the designation of what may have been portions of the State Highway Systems to the National Highway System so that those funds can be there?

Secretary PEÑA. If I understand your question correctly, Senator, I think the answer is yes, but I need to double check.

Senator KEMPTHORNE. OK. Good. I'm glad I asked it. Thank you very much.

Senator BAUCUS. Thank you, Senator. I think it's important for everyone to realize that even though we Western States receive

more Federal highway funds than we pay in Federal gasoline taxes, it's also true that we Western States—I can double check for Idaho, but certainly for Montana—on per capita basis pay much more as Montana citizens to maintain our highways in our State than does the Nation on average. The average for the Nation is \$355 per person. That's the national per capita average that people spend in their own States on highway maintenance. The national average is \$355. We in Montana spend \$472 per capita. We spend a lot more than the national average. So people should recognize that we're not getting a free ride here. We're spending a lot more.

I'll check Idaho. Idaho is also above the national average by \$10.

Secretary PEÑA. But above.

Senator BAUCUS. Still above. \$364.

Senator KEMPTHORNE. We're more conservative in Idaho.

Senator BAUCUS. OK. Well, thank you very much, Mr. Secretary. We would like to have you come on up here.

Secretary PEÑA. Thank you, Mr. Chairman. Thank you for inviting me to join you.

Senator BAUCUS. All right. We have three panels now. The first panel consists basically of the directors of the various State Highway Departments. First, Marvin Dye from Montana; Richard Howard, Secretary of South Dakota Department of Transportation; Mr. Marshall Moore, Director of North Dakota Department of Transportation; and Mr. Ray Mikelson, Program Control Manager of the Idaho Transportation Department.

I would like each of you to submit your entire statements for the record, and further, I would like each of you to briefly summarize your statements in five minutes. Actually I'm going to have somebody up here time you. So when you have one minute remaining, I'll have Kathy raise her hand and notify you so you know that you have approximately one minute remaining.

OK. First of all, Marvin Dye.

STATEMENT OF MARVIN DYE, MONTANA STATE HIGHWAY DEPARTMENT

Mr. DYE. Thank you, Mr. Chairman, and on behalf of myself and Governor Racicot, welcome home. Senator Kempthorne, Secretary Peña, on behalf of Governor Racicot, welcome to Montana.

I'm making a joint presentation today with Richard Howard of South Dakota, Marshall Moore of North Dakota and Ray Mikelson of the Idaho Department of Transportation. The Wyoming Department of Transportation while unable to be here today has authorized us to say they fully concur in our testimony.

Chairman Baucus, we appreciate that you and other senators and congressmen understand it's in the national interest to invest in transportation in this part of the country. We're well aware you fought hard and successfully to ensure this region is treated fairly. We're also aware others in Washington don't understand those needs, so it's encouraging Secretary Peña has come to learn more about the issues that affect this region.

And we appreciate Secretary Peña's statements for maintaining the current balanced apportionment formulas and for the importance of transportation investment in rural States. Cooperation has

been a hallmark for the relationship among States in our region and that's reflected in the joint statement being presented here today.

By way of a brief overview of our joint testimony, I will explain our support for full ISTEA funding including our recommendation for sustaining it. Mr. Howard of South Dakota will present a recommendation for National Highway System in our region and Marshall Moore and Ray Mikelson of North Dakota and Idaho will address some regulatory concerns.

Mr. Chairman, full funding of ISTEA is important to Montana and neighboring States for many reasons. Even if it's fully funded, we won't be able to meet all our transportation needs, but without it, we'll fall farther and farther behind. Because of its significance and job creation, economic development, improved safety in our highways, we sincerely thank you, Chairman Baucus and the Secretary, for supporting full ISTEA funding for the highways and transit programs. We're ready and able to put full ISTEA funding to work and we'll be ready with projects within a 90-day window.

All of the States represented here today including Idaho strongly support the increased transportation funding now being proposed in the administration's Stimulus Package. We also support full funding of ISTEA because rural States like ours lose proportionately more than an urban State would when it's not fully funded. While the reasons are somewhat technical, it amounts to the fact that we have very little of our funding in the areas of ISTEA that are protected when obligation limits are imposed. We simply don't receive much of our funding from exempt categories such as demonstration projects or minimum allocations. Those categories mostly benefit the urbanized States. When obligation limits are imposed, the pain is not shared equally by all. Rural States like ours suffer more.

Further, Mr. Chairman, in order to sustain full ISTEA funding and maintain rural/urban balance, we strongly support reallocating the entire two point five cents per gallon motor fuel tax currently being used for General Fund purposes to the highway account of the Highway Trust Fund as soon as possible, preferably well before fiscal year 1996.

Let me make our position clear by advocating return of the full two and a half cents to the highway account rather than an 80/20 split of those funds between the highway and transit accounts. We are not advocating highway projects over transit projects, rather, we are advocating equitable sustainable funding of the vast majority of the States.

As explained in more detail in our written testimony, there are three reasons we feel this is proper, the proper course of action. First, the highway account will go broke if we fully fund ISTEA. The transit account will not.

Second, the highway programs of ISTEA with their great flexibility are already supporting a sizable investment in transit. This reduces the need to add to the transit account in order to have more transit projects.

Last, the highway account funding mechanism is the most equitable. It distributes money widely to all States. By contrast, the transit account is more a direct benefit for large urban States.

Therefore, Chairman Baucus, we believe Congress should act promptly to ensure sustainable highway program funding at ISTEA levels by redirecting the entire two and a half cents per gallon of motor fuel tax into the highway account at the earliest possible time.

I'll turn the presentation over to Dick Howard of South Dakota who will represent our regional National Highway System proposal.

Senator BAUCUS. Thank you very much, Marvin.
Dick?

**STATEMENT OF RICHARD HOWARD, SECRETARY, SOUTH DAKOTA
DEPARTMENT OF TRANSPORTATION**

Mr. HOWARD. Thank you, Mr. Chairman, Senator Kempthorne, Secretary Peña. I guess I would just like to reminisce a little bit, Mr. Chairman. And I want to publicly thank you at this time for your efforts and support in developing ISTEA with all of its flexibility, the funding authorizations and apportionment factors that are certainly important to our rural Western States. I recall attending a similar hearing to this back in Lewiston—

Senator BAUCUS. I remember that Lewiston hearing.

Mr. HOWARD.—in 1991 which led up to the introduction of the Reid/Baucus Bill which was the first surface transportation bill introduced in the Congress in 1991. And I think it was the general framework of this legislation which you drafted that led to many of the provisions which were finally adopted in ISTEA that are beneficial to our rural Western States. And I want to just show our appreciation to you for that effort and your hard work in doing that because ISTEA is a good Act. It's good for the rural Western States as well as the entire country.

Senator BAUCUS. Thank you.

Mr. HOWARD. As Mr. Dye mentioned, I'm going to be speaking on the National Highway System which is very important to our part of the country where we are sparsely populated, have large land areas, and highways are our basic means of transportation. I think what we are doing—and the question has already been raised to Mr. Secretary regarding how they may consider additions to the National Highway System in addition to those which are already on the illustrative map which the Federal Highway Administration developed a couple years back. The principal reasons that we're asking for additional designations are, number one, they are needed to reflect the national significance of many of our highways which are of vital national importance for movement of the agricultural products, natural resources and other products to national and international markets while serving as corridors for national and international trade and tourism.

Number two, they will help insure connectivity throughout the nation.

Number three, they will insure that the NHS in our four-State region serves Indian reservations, airports, unit trains, national recreation areas, population centers and border crossings, many of which are not adequately served by the draft map.

Number four, under the law, adding these designations will not cost the Federal Government any additional money, and number five, the law gives US DOT ample flexibility to add the miles we've requested.

The draft map, which was developed by the Federal Highway Administration and is called the Illustrative Map, contains only 149,888 miles while the law allows US DOT to designate up to 178 thousand miles. There's something over 28 thousand miles that are available to the Secretary of DOT to designate in addition to those miles that have been designated.

Establishing an NHS which inter-connects all significant areas within our four States requires an additional 3,513 NHS miles, an addition, which is vital to our region's economic viability and productivity. It will further national productivity as well. US DOT not only has the authority to designate this additional mileage, it can do so without additional cost.

I would like to briefly explain each of these points. There's widespread agreement that the foundation of America's transportation system is based upon a network of highways that not only inter-connects every region of the country, but provides access from every part of the Nation to this system.

The first attempt to map the National Highway System took the form of Federal Highway Administration's illustrative system. As I mentioned, it totals roughly 150 thousand miles and represents only four percent of the nation's 3.9 million miles of public roads and highways. The FHWA's criteria for selecting qualifying NHS routes, and for establishing individual State mileage targets, was strongly influenced by traffic volume or use.

We do not agree with this approach for designating NHS routes because it has the effect of imposing mileage limitations that preclude route access to vast areas of the nation. This is a particular problem for our region causing us to request modifications to the FHWA draft map. Fortunately, the law is very clear that significant modifications from that map are allowed.

In particular, ISTEA established the 186 thousand mile principal arterial system as the interim NHS until Congress designates an NHS to include 155 thousand miles, plus or minus 15 percent, which totals the 178 thousand miles that I mentioned previously. This is very close to the 186 thousand miles in the interim NHS. The law does not indicate that any one State is limited to the plus or minus 15 percent, only that the total system is so limited. Thus a densely populated State having a few corridors with high traffic volume may have need for much less mileage; while a sparsely populated rural State may need more miles to ensure connectivity.

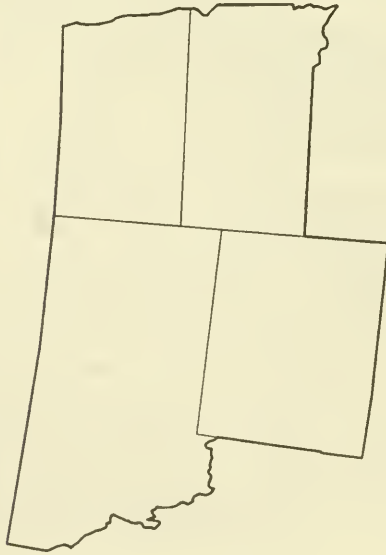
I think I would like to turn to the handouts which you have following page 34 of the written testimony. I have a group of charts that I would just like to run through briefly.

The first chart is also shown over here in a large scale handout. Some of what we did to look at equity and fairness among different parts of the State is that we took our four States and looked at the land area which is about 390 thousand square miles, which is almost identical to the area of the 16 northeastern States from Maine to Virginia north to Michigan. So we took a look at that.

And if you'll look at chart two in your handout, I would just like to point out parts of that. What that shows, it's a comparison of the NHS mileage in our four-State region to the 16-State region in the northeast, and we also looked at our good friends in Texas. On that you will see that the FWHA illustrative NHS miles for Montana, North Dakota, South Dakota and Wyoming add up to 9,212 miles. The 16-State region which I just pointed out there which has similar area has about 35 thousand miles on the illustrative system. And that's very reflective of the criteria that was used in designating and limiting the miles which was based on vehicle miles of travel or usage of the highways.

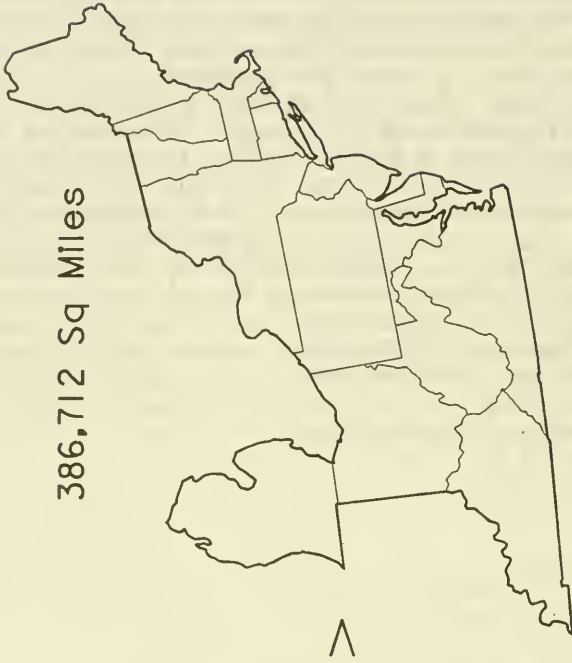
CHART 1 LAND AREA COMPARISON

392,672 Sq Miles



4 STATES

386,712 Sq Miles



16 STATES

CHART 2

COMPARISON OF 4-STATE REGION TO 16-STATE NE REGION AND TEXAS

State	FHWA Illustrative NHS Miles	Percent of Certif. Miles on NHS	Add'l. NHS Miles Requested	Proposed Total NHS Miles	Percent of Certif. Miles on NHS
Montana	2,990	4.23 %	1,102	4,092	5.78 %
N. Dakota	2,236	2.58 %	547	2,783	3.21 %
S. Dakota	1,927	2.32 %	1,048	2,975	3.57 %
Wyoming	2,059	5.32 %	816	2,875	7.43 %
TOTAL	9,212	3.30 %	3,513	12,725	4.56 %
16-State NE Region	34,992	4.30 %	?	34,992	4. 30 %
Texas*	12,940	4.41 %	?	12,940	4.41 %

* The area of Texas is 266,807 square miles compared to over 392,672 square miles in the 4-State Region

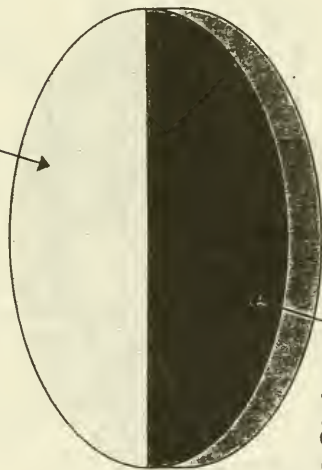
Mr. HOWARD. Our friends in Texas, which is somewhat smaller than our four States, has 12,940 miles on the illustrative system.

If you turn to chart three, it's just another method of showing basically the same information. The first pie chart shows that the four-State area that we're representing here has almost equal area to the 16 northeastern States I talked about. But if you look at the illustrative NHS miles, our four-State area has 92 hundred miles compared to the 35 thousand as shown in the pie chart.

What I have also shown on chart number four, which is also up here on the easel as well as in the handout, it shows that beyond the illustrative system we have vast areas of our States which are not included by the illustrative NHS. The illustrative NHS is shown here by the blue lines being the interstate—the dark, heavy lines are the illustrative NHS system. We can take many areas within our four States where we can superimpose entire States within areas where we're not covered by the illustrative NHS. Up here in this corner is the State of West Virginia. There's a portion in Montana that's not covered by the NHS which is larger than the State of West Virginia. Near my hometown of Pierre, South Dakota we can put the States of Delaware, Connecticut and New Hampshire in areas that don't have an NHS designated highway at all. Down in Wyoming we can put the State of Vermont, and North Dakota is the similar. So just to prove a point, we have vast miles—vast areas of our four States that are larger than these Eastern States, which have no NHS mileage at all.

Comparison of Land Area and Illustrative System Miles

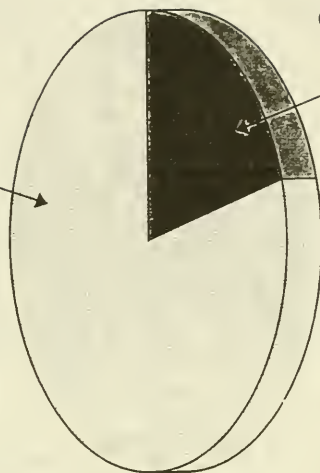
Eastern Region
386,712 Sq. Miles



4 State Area
392,672 Sq. Miles

Land Area

Eastern Region
34,992 Miles



4 State Area
9,212 Miles

Illustrative NHS Miles



Mr. HOWARD. I have a couple more charts here which compare the NHS miles to the square miles of land mass that they serve. Chart number five shows that the national average is that about point zero five of each State's land area is served by one NHS mile. If you'll look, we've darkened in the State of Montana, Wyoming, South Dakota and North Dakota and all are less than half of the national average, meaning that we get a lot less of our land area served by each NHS mile.

Chart six is just kind of the inverse of that. It shows the number of square miles in each State that are served by one NHS mile. Just as some examples, each NHS mile in New Jersey serves four point two square miles of land area. The national average is 23.6 square miles. North Dakota, South Dakota, Wyoming and Montana vary from 30 up to almost 50 square miles—or 50 square miles served by each one NHS mile. So in our States, one NHS mile serves from 30 to 50 square miles of land area, whereas in New Jersey and other States one NHS mile serves each four square mile area.

CHART 5
**Comparison of NHS Service Areas
 (NHS Miles / Square Miles)**

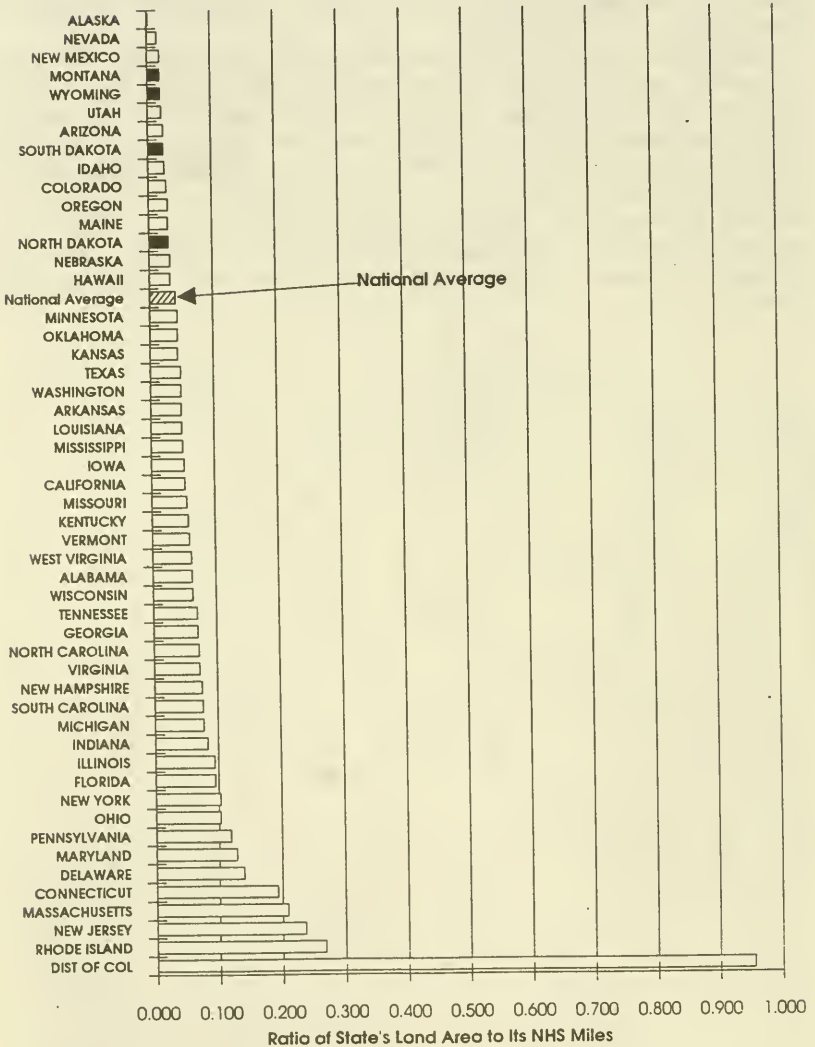
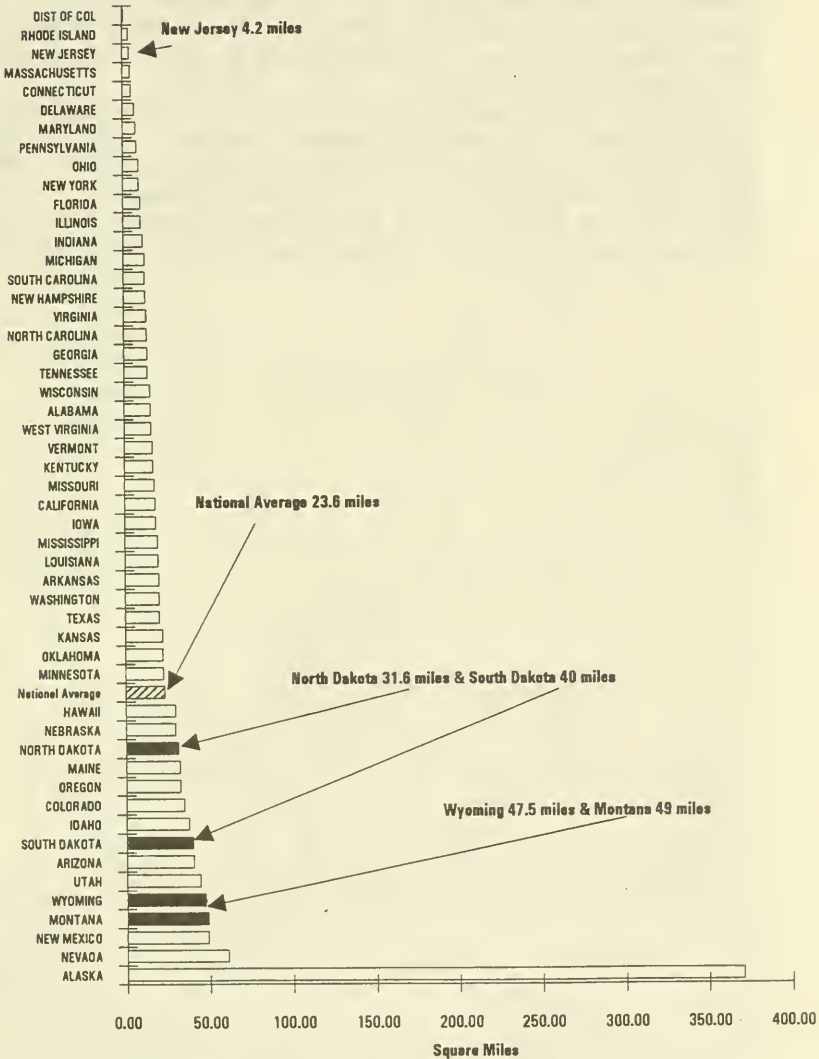


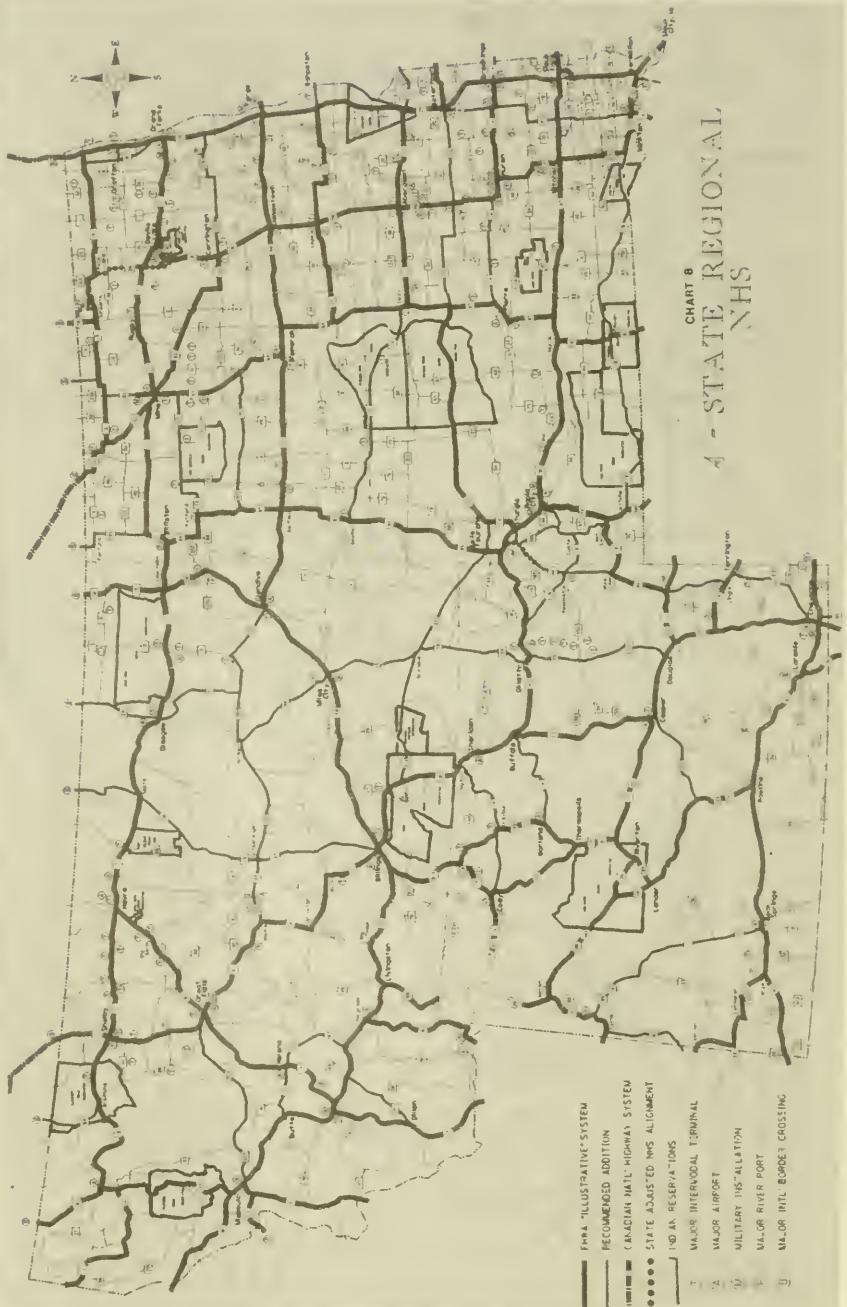
CHART 6
Square Miles Served by NHS
(Square Miles / NHS Miles)



Mr. HOWARD. Chart number seven, which is over here, is the illustrative system which has a lot of voids and vacancies. What we've pointed out here on this map, the shaded areas, and there are 20 of them on the map and they probably show up better in your handout as areas in yellow color, are the Indian reservations in our four States. There are 20 Indian reservations in these four States. You can see that a lot of these native American reservations are not served by the NHS at all. We think this is an important criteria to serve that population of America and should be included on an NHS system.

The map that I would like to spend a little more time on is chart number eight, which is our proposed four-State regional NHS, and it's also shown in the handout which you have available. What we have done, the dark lines on this chart represent the illustrative NHS. The red lines that we've added show those miles which we propose to be added to each of our States' illustrative systems.





Mr. HOWARD. And I think what's important there, if you—Probably if you look on your smaller map, the handout, you can see that this revised system basically serves all 20 Indian reservations with NH Systems within a reasonable distance from them. We have included connections to, as Mr. Secretary mentioned, the importance of tying in our intermodal systems, all modes of transportation. Under the illustrative system there are a number of major intermodal terminals. Those are such facilities as unit train loading facilities where we load our large hopper cars with coal and grain products to be shipped off to either other markets within America or to international ports.

We've also included connectivity to all of our major airports. There are a number of those that are not included on the illustrative system. We have connected to all our military installations, to major river ports. There is one over here in Missoula, Montana that leads to a major river port. Over in South Dakota there's one that connects to Sioux City which connects to a port that provides navigation down the Missouri to the Mississippi River systems. So we've tied this system and filled in a lot of the gaps serving our intermodal connections. We think this is highly important and significant.

Also as part of the justification for this we feel that when Congress established the 186 thousand mile principal arterial system as the interim system, that they were giving some direction, strong direction, to US DOT that they should consider adding to this initial illustrative map of 150 thousand miles, and that it's important that the difference between 150 thousand and 178 thousand is just a little over a half of one percent of the total public road miles in the nation. So I think that you can increase the NHS up to the 178 thousand which you're allowed, Mr. Secretary, and you still effectively maintain an objective of giving focus to the nation's most vital national system of highways.

Senator BAUCUS. Richard, can you tell us what State-adjusted NHS alignment is?

Mr. HOWARD. The Federal Highway Administration gave the States the ability to adjust alignments within their State so long as that stayed within the mileage limitation that they had on the illustrative system. So they could make minor adjustments to which highways they selected within those miles.

Senator BAUCUS. Thank you.

Mr. HOWARD. Is my time gone?

Senator BAUCUS. Well, I can tell you've allocated different topics among yourselves. Go ahead. Why don't you summarize as well as you can.

Mr. HOWARD. I would like to just briefly summarize. In conclusion, what we're asking would be an increase of 35 hundred miles which would give us a total of a little over 12 thousand miles which would still only be one third of the 16 northeastern States representing the same land area mass. We currently have a fourth. We're only asking for it to be increased to a third. We're not asking to have equal NHS mileage. We out here recognize the severe problems of congestion and mobility that face our urban neighbors and we just hope that they'll recognize the critical need for our rural access. We believe that we should work together to

solve problems and not create a problem in one part of the country to solve the problem in another part of the country.

So Mr. Chairman, for the reasons which we have discussed, we would like to ask US DOT to grant our request and we ask for your support, Mr. Chairman, in insuring that the Department has a thorough understanding of the merits of our proposal.

Senator BAUCUS. Thank you very much. That's very interesting.

Mr. HOWARD. And at this time I would like to introduce Marshall Moore, who is the Director of the North Dakota DOT, and he's going to discuss some regulatory issues and management systems in ISTEA.

Senator BAUCUS. Mr. Moore, it's all yours.

STATEMENT OF MARSHALL MOORE, DIRECTOR, NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

Mr. MOORE. Thank you. Mr. Chairman, Senator Kempthorne, Secretary Peña, I'm Marshall Moore, the Director of the Department of Transportation in North Dakota. This morning I will focus my comments on management systems and planning requirements contained in ISTEA, the required use of recycled rubber in asphalt pavements, conversion to the metric system and mandatory seat belts and motorcycle helmet bills.

My comments are constructive in proving and streamlining a good piece of legislation. By January 1, 1995 ISTEA requires each State to develop and implement management systems for pavement, bridges, highway safety, traffic congestion, public transportation, intermodal transportation facilities and traffic monitoring. These management systems are intended to provide guidance for making more informed and improved transportation planning and program decisions. The following suggestions would aid the implementation of management systems.

Federal Highways must try to provide flexibility in determining the relevance of each system for any particular State; two, require the management standpoint only on those routes of major interest to the Federal Government; three, provide a relaxation of the time period for completion of those management standpoints; and four, minimize the volume of data collection.

Planning requirement. By January 1, 1995 each State also is required to provide a Statewide transportation plan. The Statewide planning requirements of ISTEA made the transportation planning process more comprehensive and complex with a greater emphasis on public involvement. Complying with the planning requirements and developing and implementing the management systems contained in ISTEA will require additional staff and resources. Most states are being directed by their legislation to right size state agencies which conflicts with this federal requirement. The elements identified in ISTEA could be considered in the planning process and should be viewed on a State-by-State basis. Some of these elements have a very limited application in the rural States. It is important that each State be allowed to develop its plan both in scope and detail to fit its individual needs.

Another concern is the fact that Federal Highways, Federal Transit Administration, Federal Aviation Administration and the

National Traffic Safety Administration are not on the same fiscal years regarding planning, funding and project selection schedules. The Department of Transportation should take the necessary action to insure that all agencies within that Department are on the same schedules.

Use of recycled rubber. I think, Mr. Chairman, you have already addressed that issue and we have the same concerns and want to reiterate those concerns that we have with the costs associated with the use of recycled rubber, asphalt pavement, impact on human health, environment. We certainly want to assist in any way we can in finding the use for used tires, but we have those concerns that we feel should be addressed before we move ahead in mandating percentages. We support the resolution to allow recycled rubber for all potential application to be included in the minimum use requirements.

Metrication. Federal Highways is requiring all Federal and Federal aid construction contracts that advertise for bids after September 30th, 1996 to be completed in metric measures. We're not here today to argue whether or not we should convert to the metric system. However, we do have some concerns that need to be addressed. These include the cost of converting to the metric system, the need for a strong public education program, leadership and direction at the national level.

The cost of converting to the metric system will be considerable. Costs will include changing signs, converting computer software, rewriting manuals and training workers and the public. At this time the States do not have a definitive set of rules which are needed to proceed with the transition of metrication. Federal highway officials need to specifically define the implementation procedures and the scope of metric conversion. Without specific Federal direction, States and businesses cannot proceed in a responsible manner.

We suggest that the Federal Highway Administration delay its proposed starting date for the use of metrics in the highway road program, particularly if additional funding cannot be made available to assist this transition. Providing a longer phase-in period should help provide a smoother transition.

The seat belt and helmet laws. Section 1031 of ISTEA subjects a State to a penalty if it does not have in place a mandatory seat belt and motorcycle helmet law by September 30th, 1993. I certainly agree, Mr. Secretary, with your comments on the helmet and seat belt laws. They are an absolute necessity in the State for safety and I support them both for myself and as a director of transportation. But we do think they should be uncoupled from Federal mandates and we certainly appreciate Mr. Secretary and Senator Kempthorne for signing on Senate Bill 295 sponsored by Senator Durenberger to take this option out.

We had both the seat belt and the helmet bill in our legislature this year. We lost the helmet bill early in the session but did succeed in winning the seat belt law even though the mandate was gone, and the argument they used in the helmet bill was mandate. So whether or not that's the real reason they voted against it, we would like a shot at it next time without the mandates.

So with that, I thank you, Mr. Chairman. That concludes my statement. A more detailed analysis of these issues is addressed in my written testimony and, Mr. Chairman, it is now my pleasure to introduce Mr. Ray Mikelson, Program Control Manager of the Idaho Transportation Department.

Senator BAUCUS. Thank you very much, Mr. Moore.
Mr. Mikelson?

**STATEMENT OF RAY MICKELSON, PROGRAM CONTROL
MANAGER, IDAHO TRANSPORTATION DEPARTMENT**

Mr. MICKELSON. Mr. Chairman, Senator Kempthorne and Secretary Peña, in Idaho, as the Idaho Senator referred to earlier, we have a motto, and that motto is "Can do" or "Can do State." Newness brings about struggle and ISTEA is new, and believe me, in Idaho we're struggling but we're struggling with a "Can do" attitude of how we can make it work.

The hearing at this point is successful from the standpoint of Idaho mainly due to working with our neighbor States. Wyoming is not here, but it caused five States to get together, talk about common issues and identify and articulate those issues before you at this hearing. From that standpoint, we look at the purpose of the hearing as successful especially with commitment by Idaho to follow-up with the other four States on a monthly basis with conference calls to discuss issues in ISTEA, resolve those issues and share things that are common to our rural States. We're committed to do that.

We would like to identify and focus on things that we think you as a Congress or at the administrative level can resolve involving certain issues dealing with ISTEA. We're not here just to complain about ISTEA, but to raise issues that we think are do-able and can be handled at either the legislative or administrative national level.

I would like to point out three positive areas of ISTEA. We looked at putting this testimony together from the standpoint of an employee performance review. To review any performance, you should look at positive things and areas of improvement, and as the Chairman pointed out early, examine trouble spots. We would like to point out three areas where ISTEA has been beneficial and constructive to Idaho, and some suggested action that we think are appropriate in that regard.

The first is, flexibility provisions, which are great for Idaho, provides the flexibility for funding, and the flexibility from the standpoint of oversight of projects by the Federal Highway Administration. We've developed a stewardship plan with FHWA that's workable and identifies FHWA's role and the Department's role in terms of oversight responsibilities.

The second positive area is partnering in a non-traditional manner that the Department has not been involved with before; this is dealing directly with outside agencies. ISTEA encourages involvement with interest groups and public participation. We will be taking to the public in various geographic areas throughout the State 12, public meetings, and opportunities for comments on our

planning approach to implement ISTEA and also our draft program. This will occur in July.

The third positive area is that of pooling of demonstration project funds. The Appropriation Act of 1993 is very beneficial to Idaho in that we're now able to pool our demonstration funds and do projects that are ready to go. Our highest priority project that we will use this pooling concept is on US 93, the Lost Trail Pass project bordering Idaho and Montana. We will be able to accelerate that project.

On the flip side, the first area of constructive criticism that we should work on is to improve administration. There are considerable demands placed on staff resources at the State level because of ISTEA. Even at the governor's level there are 38 references in ISTEA to, the governor's responsibilities, and many of those are certification requirements. Most of these have been delegated to our Department.

There are two small programs in ISTEA that represent only 10 percent, a very small portion, of our total funds but consumes about 90 percent of our programming staff time this year. Those two small programs are the Transportation Enhancement and Congestion Mitigation/Air Quality. Both are worthwhile, good programs, but very time consuming from the standpoint of administration.

For the sake of bringing tears to your eyes, I will relate to one other thing that is personal. My wife gave me money for an airline ticket to Alaska for a Christmas present to go fishing. I love fishing. My daughter-in-law did the same thing for my son, money for an airplane ticket to go to Alaska. Now I can't find time to go to Alaska this summer. I have had to basically rule that out. Isn't that a sad story? There is a considerable stretching of the staff at the State level to get the job done without the capability of adding to our full-time staff complement.

I suggest action is necessary to look at any required reporting requirements imposed upon the States. We are already reporting to the Federal Government through our financial records of projects, with a breakdown of the categories of funding. We are already providing information on an ongoing basis. The point is there should be a close assessment of the kinds of reporting required of the States.

The next problem area is in Statewide planning. One of the components required in ISTEA is that transportation must have a relationship to land use. In rural Western States, maybe it's just an attitudinal situation, but most of the cities and counties in Idaho, have not adopted comprehensive plans dealing with land use and transportation. At the State level we do not have land use authority, it only exists at the local level.

A suggested action on your part is to provide good planning practices information for the Departments of Transportation that would help to deal with transportation in the rural areas of the State outside of the metropolitan areas.

The last thing I'm pointing out is planning and funding scheduling, from our standpoint probably the most important in terms of administrative concern. I was back in Washington, D.C. with FHWA for six months last year, January through July, after

ISTEA was passed and worked directly with Kevin Heanue in the planning area helping draft guidelines and procedures on implementing ISTEA. Kevin Heanue and Sam Zimmerman of FTA had an excellent concept at the national level in terms of merging planning, working together, and consolidating activities. That, however, falls down at the regional and district levels to fully implement the concept of consolidation of those two modes of transportation.

We have a letter as a part of our testimony that Governor Andrus submitted to Secretary Card, dated August 1992, which summarized in chart form the problems that we face in dealing with the different schedules, time frames and allocation of funds within the various modes.

A large part is a communication problem, taking, for example, in Idaho, FTA is located in Seattle, Washington. FHWA is located in Boise, Idaho. We have an excellent working relationship with Jack Coe, the FHWA Division Administrator, who attends our board meetings. We have two board members here in attendance that can testify to that. Jack Coe is well received, he works almost at a staff level, attends meetings, goes on tours and very good to work with on resolving issues. But the removed FTA office in Seattle poses problems of communication and timeliness in resolving issues.

A suggested action is to change the funding and project selection cycle within the surface transportation agencies within D.O.T. so they're on the same cycle in terms of allocation of funds and project selection. We can then deal with and bring them altogether in one focus and one plan which is required in ISTEA. We do that at the State level as most States do. We have all modes in-house within our Department under our three-member transportation board. They supervise and oversee all modes. The same should occur at the national level with one point of contact.

In closing, no one should feel that they're walking this journey alone. It takes cooperation. It takes a partnering approach to things and we're willing to go the extra mile to do the non-traditional things to bring that about. The action item at hand is to minimize reporting requirements, provide good planning practices information to the States, establish uniform project selection and funding schedules, and provide a single point of contact for the surface transportation agencies at the State level. Mr. Chairman, together we can do it.

Senator BAUCUS. Thank you very much, Mr. Mickelson. The Secretary has come a long distance and I would like to give him the first chance to ask questions. So you make the best use of the time.

Secretary PEÑA. Thank you, Mr. Chairman, and I'll be brief. I know there are lots of people who want to testify today.

Just a question for anyone of the panelists. Yesterday we heard testimony in Billings from several citizens who are very much involved in the whole transit area and they were very concerned about the fact that there is not enough money to help them with their transit programs, particularly in the small cities in the State. I asked them, "Well, we have flexibility in ISTEA and you ought to work with the State DOT," etc. And a couple made the comments that they didn't I guess perceive much assistance there either because of the tremendous demands that are placed on all you from the highway side and that there really wasn't any hope that some

of those monies can be reprogrammed to the transit side. I heard your testimony about the entire two and a half cents in the highway account for flexibility. Do any of you have any thoughts about that?

Mr. MICKELSON. Since the microphone is here I can cover Idaho and pass it on. We have, through our programming, recently identified transit projects where we will be transferring Air Quality funds for certain transit projects. The shortfall in transit funding has placed a great burden on use of Congestion Mitigation/Air Quality funds, which are good, valid projects, for use on public transportation projects, and we have done that. Projects, and probably the majority of our CM/AQ funds will be transferred to FTA for that purpose.

Mr. HOWARD. Mr. Secretary, in South Dakota our primary transit program is public transportation for the elderly and those with disabilities. We receive the funding through Sections 16 and 18 of FTA, and in addition we also provide State funding to assist in operating that program. We have not yet transferred any of our surface transportation funds from the highway program to transit, but that's something we're looking at doing as we develop our intermodal and public transportation management systems which are part of the ISTEA requirements. So, while we have not yet transferred any money, it's something that we're evaluating as part of the planning process and are contemplating doing in the future.

Mr. DYE. Mr. Secretary, I think probably many of the Western States are pretty much like Montana. We're kind of going through the pains now becoming a department of transportation, and that has occurred in Montana in the last year. Just the other day at an administrators' meeting we touched on this subject when we were talking about our testimony here in regards to the transit issue. And our transit people were sensitive to the statements we were going to be making. But the point I made to them is if we do our job properly, we plan—as a department of transportation, we plan for all of our transportation needs, and if those transit needs rise to the top of that process in terms of need, then they should be funded with the flexibility we have under ISTEA.

Secretary PEÑA. Thank you. Just one last question. What additional criteria would you recommend to me that the Department use in making decisions about whether we're going to expand the mileage? We know about the criteria originally, and your concern was that too much emphasis is placed on vehicle miles traveled and usage as opposed to other criteria. What additional criteria would you like for the Department to use if we consider your requests and I'm sure the requests of many other parts of the country?

Mr. HOWARD. Mr. Secretary, I think that certainly we need to take a better look at connectivity of having a unified highway system that covers all regions of the country. And I think you need to look at—And I know that you stated that your philosophy is we need melt together in unifying all the modes of transportation, that you need to look at the connections of other intermodal transportation terminals, and that's what we tried to do here is to identify those.

I guess another issue I didn't identify in my previous presentation is in this part of the country—there was a little of bit earlier discussion about the Free Trade Agreement with Canada. Our proposal also adds a number of border crossings that would facilitate the Free Trade Agreement.

You know, there's been another factor that's involved in the National Highway System debate, and that is should the National Highway System be all multi-lane controlled access interstate type highways or is it OK to have properly designed two-lane highways on the National Highway System. And I think for our purposes in the rural west out here, we have a lot of significant highways that are important in allowing us to compete globally in our trade, which with the level of traffic we have, two lanes are sufficient and so it shouldn't be a breakdown on the type of facility.

In the larger urbanized States, certainly their most important highways are their four-lane or six-lane, eight-lane, whatever they have, their multi-lane controlled access highways. But out here, two-lane highways are important and significant in transporting our natural resources and agricultural products which are important to a rural economy.

Secretary PEÑA. Thank you.

Senator BAUCUS. Thank you, Mr. Secretary. Just following up on that point, this is your opportunity, the four of you, to get across to the Secretary the importance, and more than that, the reasons why an NHS should be expanded.

I think the point of connectivity is very vital. It seems to me, in reflecting further on this point, that to some degree the more our country rewards vehicle miles traveled in determining NHS, the more we're causing problems for ourselves. We're going to cause, in a certain sense, more congestion. There's a real need, it seems to me, to give some incentives to people to move to where there are less people in order to spread the population of the country out a little bit, and even more than that, to allow people who live in sparsely populated areas to stay there because otherwise they're going to move out.

It's very reminiscent of some of the other problems we have in rural America, whether it's rural health care, hard time keeping rural hospitals open, for example, more farm policy, what not. It's important to provide incentives for people to be able to live, with some comfort in rural areas. And where we have an NHS which tends to focus almost exclusively on population, the more ironically we'll be causing problems in many respects than we'll be solving them.

I think that's somewhat the point that the various States are making. That is, we have to connect grain terminals, Indian reservations, national parks, other key components that otherwise would not be connected because, after all, we are one country. That's my view.

Let me allow any of the four of you to make your pitch because this is your opportunity. The Secretary is here. Give as long a statement as you can make why we need to expand the system.

Mr. HOWARD. I think another thing that's important is that the National Highway System that we proposed here is not just of importance to our region but it is important to the nation. We serve

as bridge States here to transport products from the west coast to the east coast and we transfer a lot of people and tourists, which the quality of life aspect of this part of the country is very important and tourism is an important part of the economy here. So I think being able to serve as a bridge State is another factor that needs to be considered.

Senator BAUCUS. Go ahead, Mr. Dye.

Mr. DYE. I guess what I would like to add too is underlying the National Highway System, it is the principal arterial issue and Montana does have some issue going with Federal highways in regards to those designations. I guess I have a problem with the way the formula applies there based on what your base roads were and the other four percent figure that's applied there. So we do have a problem with that part of the proposal also.

Senator BAUCUS. Have any of you addressed the time that Congress needs to act so that you're able to fully expend funds that are in this Stimulus Package?

Mr. HOWARD. I'll speak for South Dakota. Under the Economic Stimulus Package, South Dakota would receive almost 20 million dollars additional funds. We have the projects neatly packaged. They've gone through the Federal Highway authorization process. We plan to have a special bid letting on June the 2nd and have a big hoopla and PR on how many new jobs are being created and how much it's effecting the economy of the State. We can be ready to award those projects in a very short time period and I think all of the other States represented here are in a similar position.

Senator BAUCUS. Does that help you out? I would like each of the other three to address that if you could, please.

Mr. MOORE. Mr. Chairman. Yes, North Dakota would receive about 18 million in the Stimulus Package, and certainly we're ready to move. But with the climate, and also in South Dakota and most of these States, it's imperative that we have these in June for construction completion in the fall. It gets to be very, very crucial.

Also if I might just address, in other words, to Mr. Chairman and Mr. Secretary on the National Highway System, North Dakota's population peaked in 1930 and we are fighting a battle to, you know, to expand business and jobs. And whatever that National Highway System is, it's imperative, in other words, to move our grain product to market. We continually—As our farms get larger, larger equipment, we need heavier highways in that system and also to bring valued businesses to that agricultural product. It's a must that they be on a good highway system and be able to get that product to market. Several times just recently the choice of a site was made based on the highway that was there.

Senator BAUCUS. That's a very good point. Can you expand on that, please, Mr. Moore, as to why a choice of a site was based on the highway?

Mr. MOORE. Well, we have—We think we have a good highway system in North Dakota, but we still have many of our highways that we have to put load limits on in the spring. And where we have a business that needs to transport goods either in and out of the plant on a continuing basis, in other words, they can't accept an interruption of that transportation, and so it's imperative, in other words, that we have systems. We are building a pasta plant

in a small town, and a choice was made based on the fact that they could get the product to that plant and out on a continuing basis with the highway, and there were several other communities that lost and couldn't compete because of that. We needed that opportunity.

And also now the sophistication in moving grain is different. We've lost some of the shortline railroads. They can't because of costs keep up, so it's trucking now. With the price of grain moving all the time, it's imperative many times that they get that product to market when they can.

Senator BAUCUS. It is an excellent point. We are basically among these four States small business States, and we're also natural resource States which means we're hauling a lot of natural resources, whether it's lumber or grain or coal or minerals or what not. And we don't have a highly developed rail system, and therefore we rely very heavily on highways. If we were more proportionately a big business State, we would be using a lot more air service, semi-conductors would be shipped by air. But we're not that kind of a region, which means that a lot of the heavier bulk is hauled greater distances and it needs highways to support it.

Mr. MICKELSON. Mr. Chairman, to follow-up your question then on the President's Economic Stimulus Package. Idaho "Can do." We can accomplish and obligate the 20 million that would be authorized as the President has proposed.

A follow-up point on the National Highway System is that we were not included in the four-State proposal since we have not been working as close as we should. The Idaho Transportation Board has adopted a National Highway System for Idaho and it has been submitted to FHWA. We exceed FHWA's allocation by about five percent. The allocation of FHWA is 22 hundred miles for Idaho. We have about 23 hundred miles which is five percent in excess of that amount. We do not have as unique a situation as the other four rural States, 23 Indian tribes, etc., but we do have the concern that the recognition is given to include low volume routes within the rural States from a connectivity standpoint which basically results in Idaho also needing to exceed, but not as much as other States.

Senator BAUCUS. Now, I would like to turn to a "Can do" Senator from a "Can do" State.

Senator KEMPTHORNE. Mr. Chairman, perhaps with that philosophy I should not ask a question knowing we have other panels. But I want to compliment this panel. I thought your presentation was excellent. A lot of thought went into that, particularly chart number four, which showed the sizes of some of the Eastern States in relation to the States we have here.

I'll just relate to you one conversation that I overheard amongst some Senators at some gathering. There was one western Senator talking to eastern Senators and he simply was describing where he lived and he said, "Then you go 17 miles off the pavement and there's my home." And the eastern Senator said, "Nothing is 18 or 17 miles off pavement." So the perspective is quite different. Your presentation was excellent. Thank you.

Senator BAUCUS. Thank you very much, Senator. And thank you all very much for your presentation. It was excellent.

Next panel includes Steve Turkiewicz, President of the Montana Highway Users Federation; Dwayne Irvin, President of the Montana Motor Carriers Association; Al Schellinger, President of Montana Contractors' Association; and Sharon Stratton, who's the Chairperson for the Flathead County Commission. All right.

Steve, let's begin with you.

STATEMENT OF STEVE TURKIEWICZ, PRESIDENT, MONTANA HIGHWAY USERS FEDERATION

Mr. TURKIEWICZ. Thank you, Mr. Chairman, Senator Kempthorne, Secretary Peña. I'm Steve Turkiewicz, Executive Vice-president of the Montana Automobile Dealers Association and President of the Montana Highway Users Federation. Today I'm representing both the Montana Highway Users Federation and the National Highway Users Federation.

I want to add our welcome to Secretary Peña and Senator Kempthorne to Big Sky Country. Mr. Chairman, we thank you for bringing your Committee and our nation's top transportation official to our State to hear the concerns and interests of Montana to depend on a good highway system to make our economy work. Timely congressional approval of the National Highway System is a top priority for Montana highway users and we urge Congress and the administration to make it a top priority in your own consideration of transportation policy.

NHS will be our highways of interstate commerce and international trade, and the roads that make it possible for vacationing Americans to see rather than fly over America, and it represents our best opportunity to gain real increases in highway transportation productivity so our producers and suppliers can be competitive in a complex 21st century world economy.

NHS will consist primarily of highways that exist today and daily carry farm products to market, city commuters to work, tourists to new experiences, raw materials to factories and finished goods to rail bulkheads, ports and markets in Montana and across our country. We expect the NHS program funds to provide welcome safety and service improvements to many of these facilities.

In addition, we are hopeful there will be some new construction considerations. For instance, the study proposal is winding its way through the Montana Legislature to upgrade substantially the route from Billings to Great Falls, or if you're from Great Falls, Great Falls to Billings. These factors demonstrate the importance of timely congressional approval of NHS. These roads will be critical to our ability to beat the international trade competition in the next century, and a dedicated source of Federal assistance will help our States focus their own resources on improving these routes.

Since the NHS will carry the bulk of our commercial and personal highway travel, the benefits of these investments in terms of increased productivity, fewer fatalities and injuries and more efficient movement of goods and people will be magnified. Productivity, safety and efficiency gains will be essential to our future economic growth.

The Senate may shortly be considering ratification of the North American Free Trade Agreement, the purpose of which is to bring

three national economies together in one large, powerful trading block. It is worth noting that only 16 interstate highways connect Canadian and Mexican highways along the US border. If we are to reap the economic, social and political advantages promised by NAFTA proponents, we must have greater vehicle through-put across our borders. Increased trade will be important to our State and national economy. The NHS will help make it happen.

Montana has already submitted its proposed NHS map. We believe it will be difficult for States with large land areas to designate good Statewide NHS routes given the mileage constraints imposed by the 155 thousand mile limit. We urge Secretary Peña to utilize his authority to increase the total mileage by 15 percent to accommodate the special needs of States like Montana where geography doesn't allow for a "one size fits all" approach.

Mr. Chairman, we appreciate the interest you've shown where the Senate considered the NHS during the debate on ISTEA. Even today you repeated your inclusive mileage in Montana and we know you're right. The FHWA needs to understand there are some highways here with low traffic volumes relative to nationwide totals which nevertheless are essential if we are to have a Statewide commercial traffic system.

We know you will continue to lead the efforts in the Senate, Mr. Chairman, to get NHS designated in law as soon as possible after the Secretary transmits his proposal to Congress later this year.

Mr. Chairman, neither the NHS nor any other important programs included in ISTEA can be properly implemented without sufficient funds. In March the Montana Highway Users Federation wrote to you, Senator Burns and Congressman Williams to indicate our strong support for the additional highway funds included in the Stimulus Package for 1993. This funding would bring the highway program to full funding for the first time since ISTEA was enacted. For Montana, it would mean an additional 28.6 million dollars which would allow the State to spend its full 1993 apportionment of 165 million plus the 11.6 million in demonstration project and Federal lands funds we have received.

We are also very pleased to hear Secretary Peña's announcement that the 1994 budget proposal includes full funding for the highways. That means a 20 and a half billion dollar highway program beginning this October. The Nation and Montana will be well served if this funding request is approved. Our current financial resources, even assuming Congress provides full ISTEA funding, are insufficient to meet the country's highway and bridge construction needs.

As you have heard already today, Montana Highway Users are willing to make the investment necessary to help our State meet important transportation needs by supporting a package of—passage of a significant fuel tax increase. Most highway users are willing to pay increased fuel taxes if they know those taxes will be used to build and improve the roads they use. They are much less supportive of a fuel tax increase if part of the funds will be used for projects or programs that don't provide a direct benefit to motorists.

We were particularly pleased when Secretary Peña announced the administration would propose to recapture for transportation

programs the revenues from the two and a half cents per gallon Federal fuel tax now going to the General Fund. We urge that Federal fuel taxes collected from highway users go to the highway account. Projected revenue shortfalls would be a severe blow to our highway program in Montana and particularly disappointing given the commitment our highway users and legislature and government are making to raise funds necessary to match ISTEA dollars and provide a State-financed highway program. Therefore, we appreciate Secretary Peña's successful lobbying efforts to see that those tax revenues will be directed to the Highway Trust Fund. Mr. Chairman, we thank you for your outspoken support for recapturing those fuel taxes for the highway program.

Again, Mr. Chairman, thank you for bringing your Subcommittee, especially Senator Kempthorne and Secretary Peña, to Montana and allowing us the opportunity to discuss the interests and concerns of highway users. We look forward to working with you and your staff on highway funding issues and early approval of America's National Highway System.

Senator BAUCUS. Thank you very much, Steve.

Mr. Irvin?

STATEMENT OF DWAYNE IRVIN, PRESIDENT, MONTANA MOTOR CARRIERS ASSOCIATION

Mr. IRVIN. Thank you. Chairman Baucus, Secretary Peña, Senator Kempthorne, my name is Dwayne Irvin, President of Dick Irvin, Incorporated, Shelby, Montana. I'm also President of the Montana Motor Carriers Association. Thank you for the opportunity to speak to you today on the important issue of implementation of the Intermodal Surface Transportation Efficiency Act of 1991.

MMCA has some 450 motor carrier members ranging in size from one truck operators to carriers with fleets of 300 plus trucks. 95 percent of them operate in interstate commerce. Attached to this statement is a copy of our publication "Trucking in Montana," detailing why trucking is so important to this State.

The enactment and fully funding of ISTEA is essential to the industry, the State and Montana cities. All our communities depend on trucks to transport commodities to and from them. Over half depend exclusively on trucks.

With this in mind, I hope to make three points here today. First, fully funding ISTEA is essential to enhancing the country's and Montana's economic competitiveness. Second, prompt enactment of a National Highway System is equally essential. And, three, full funding is essential to the spirit of ISTEA.

ISTEA was enacted in 1991 with great promise for expanding and upgrading investment in roads, highways, bridges and mass transit systems.

Although the new Act's 155 billion authorization over six years is unprecedented, infrastructure needs will continue to far exceed available resources.

According to US DOT estimates, the total cost just to maintain highways and bridges over the six-year period will be about 250 billion. This total cost to improve them is nearly double the amount, 425 billion.

A General Accounting Office report states that without additional revenue to the Highway Trust Fund, the Federal-aid highway program will have to be cut back in 1996 from its current inadequate funding level.

This projected trust fund shortage can be averted by redirecting the two and a half cents per gallon Federal motor fuel tax, now collected for non-transportation purposes, to the Highway Trust Fund. We commend, you Secretary Peña, for your effort and we hope Congress will implement your recommendations.

The effort and passage of HR 1335 fully funding ISTEA for fiscal year 1993 would send a clear signal to fully fund ISTEA for the life of the bill. Such a signal is important to promote a stable, long-term economic growth rather than peaks and valleys.

ISTEA when fully funded provides for a healthy funding level of 170 million per year for Montana over the next six years.

A second key element in the long-term strategy is a strong continuing commitment to a National Highway System. Such a system is the most significant provision of ISTEA to the trucking industry.

The 155 thousand mile system consists of four percent of national roads and will carry 75 percent of the nation's truck traffic and 40 percent of the passenger traffic.

The National Highway System's financial and economic relationship to freight is best demonstrated with three numbers, annual Federal investment in National Highway System and interstate completion, maintenance and substitution, authorized in 1993, \$8.5 billion; truck taxes and fees to Federal and State government for use in 1991, \$16.2 billion; truck gross revenues from use of the NHS for 1992, \$240 billion.

In order for such a transportation program to have lasting value to the nation, it must be part of a long-term investment strategy. As noted from those numbers, full funding of ISTEA is a key financial element in a long-term infrastructure strategy.

The NHS is not incompatible with the needs of rural America. ISTEA signals a decision to invest in this need as well. It would be the highest form of folly to connect urban America and not have access to the abundance of the nation's farms, mines and mills to bring to the cities.

Nowhere is there more obvious—is this more obvious than in Montana where of the 2,990 miles of NHS road, 2,854 miles are in rural areas. The Montana Legislature passed legislation to implement the NHS in Montana consisting of the interstate system and some 17 hundred miles of major feeder highways, now part of our primaries.

It also enacted a seven cents per gallon fuel tax for its highway program including ISTEA matching. MMCA supported a five cent diesel fuel tax increase for matching ISTEA funds and to fund rural county secondary roads.

A seven cents diesel tax increase in Montana translates to a \$1,400 or 24 percent increase in fuel taxes to an average Montana motor carrier per unit. Yearly State and Federal taxes will average about \$13,500. The proposed Federal energy tax of seven and a half cents per gallon in Federal fuel taxes will increase the tax cost to a total of \$1,500 or 15 cents per mile. This is a very high cost.

ISTEA provides some four million seven hundred—or four million seven hundred—479 million dollars for the continuation of the Motor Carrier Safety Assistance program as well as programs aimed at substance abuse. Montana stands to share substantially in those funds. We commend that action.

MMCA supported the requirement for States to participate in the International Registration Plan and the International Fuel Tax Agreement. MMCA supports ISTEA's deadlines for States to participate in these programs.

ISTEA offers truckers in Montana and elsewhere an added challenge because Congress granted Metropolitan Planning Organizations the power over transportation purse strings. If MMCA members—

Senator BAUCUS. Dwayne, I'm going to have to ask you to summarize the best you can, and even future witnesses.

Mr. IRVIN. Am I out of time? That's the first time I ever made it to five minutes in my life.

Senator BAUCUS. If you could summarize as best you can, I would appreciate it.

Mr. IRVIN. We also feel that the LCV's will play a vital role in expanding the free trade objectives including establishing transportation corridors into Canada and Mexico through the US.

In conclusion, I sincerely believe that fully funding ISTEA will have a positive benefit to our country. Further, I believe the trucking industry will multiply those benefits. Trucking is safe and economically essential. Fully funding ISTEA will help my industry and the shippers we serve compete more effectively in the global marketplace.

Senator BAUCUS. Thank you very much, Dwayne. I appreciate that.

Mr. Schellinger?

STATEMENT OF AL SCHELLINGER, PRESIDENT, MONTANA CONTRACTORS ASSOCIATION

Mr. SCHELLINGER. Senator Baucus, Secretary Peña, Senator Kempthorne. As President of the Montana Contractors' Association I would like to thank you, Senator Baucus, for the opportunity to speak to you. We are an affiliate of the national organization, Associated General Contractors of America, and represent 300 union and non-union companies throughout the State of Montana.

Our concerns fall into two categories, spending on a Federal and State level, and environmental issues.

We support the existing Intermodal Surface Transportation Efficiency Act, otherwise known as ISTEA, and urge its continuation after 1996. We thank Senator Baucus for his efforts in securing our fair share of these funds. Since Montana ranks fifth in the Nation in terms of miles of interstate, but has a sparse population compared to other States, we obviously favor the continuation of the donor/donee policy based on highway miles. Even with that formula, at current levels of Federal and State funding, we are not able to maintain our highways.

The diversion of two and a half cents of Federal fuel tax for deficit reduction is a concern. We are united as an industry in saying

that this diversion is counter-productive to the goals of building a quality highway system nationally. All fuel taxes collected should be used for construction purposes only.

As a border State, Montana enjoys a brisk exchange of traffic with Canada as well as a significant number of tourists who now visit Montana year round. ISTEA emphasizes transportation to serve international trade corridors and international border crossings. We seem well placed to increase trade with Canada. Add to that the number of new people moving to Montana and it's clear that our transportation needs are growing. In order to meet our current demands and plan for the future, ISTEA must become fully funded.

To date, Montana has never had to refuse Federal funds because we haven't had State matching dollars. On the contrary, we have been able to take advantage of grab bag funds because the State has been prepared to match Federal funding. The Montana Highway Department has been aggressive in preparing jobs for ISTEA and helping secure revenue. Our organization lobbied heavily in support of the two-phase gas tax.

As you are aware, when we receive matching Federal funds for projects, the basic standards of construction are set very high. ISTEA's flexibility has allowed us to spend some highway dollars on secondary roads, but Federal aid programs alone do not meet Montana's needs. The Reconstruction Trust Fund is a State-financed farm to market program that aggressively uses State funds to repair and maintain secondary roads. With over five thousand miles of secondary roads in Montana, the demand for valuable matching State funds has made us lower our level of funding for State-financed projects. We hope that full funding for ISTEA, more flexibility with Federal funds and our State gas tax hike will ease the dollar burden and allow our highway projects to maintain pace with our growth needs.

The other issue that is significant for contractors concerns the environment. Although we all have a deep desire to retain beauty in Montana, the red tape of environmental impact statements on even the smallest projects can be frustrating and expensive. Although an EIS may be appropriate for many projects, we wonder how significant or necessary an EIS is when a road system is already in place and we're making minor adjustments and changes. EIS's are time consuming and costly and we would like to see them used in a more efficient and discriminating manner. Certainly in western Montana where clean air, water and wildlife are much discussed, we face a more difficult task in receiving our fair share of Federal dollars to finally get projects built.

We consider the condemnation process a major issue under the subject of environment. Most litigation could be avoided by settling land disputes at a local level if landowners and designers would compromise early on in the design stage. Additionally, we need to give higher compensation to landowners because they really don't want to sell. Doing these things would curb delays and reduce spending over the long-term life of the project.

Although financing a nation's transportation system can be problematic and complicated, we are very optimistic about ISTEA's po-

tential to enhance and improve our National Highway System and we look forward to solving these problem areas together.

Senator BAUCUS. Thank you very much, Al. I appreciate that.

Next is Sharon Stratton. Sharon?

STATEMENT OF SHARON STRATTON, CHAIRPERSON, FLATHEAD COUNTY COMMISSION

Ms. STRATTON. Chairman Baucus, Secretary Peña, Senator Kempthorne, as Chairperson of the Flathead County Board of Commissioners, I want to express our appreciation to the U.S. Senate Environment and Public Works Committee for having this special hearing in Kalispell. I believe that your visit to the Flathead Valley and seeing firsthand the transportation problems we're facing in our county will give you a better perspective of the problems we face.

We're fully supportive of ISTEA and look forward to working with the Federal Highway Administration, the Montana Department of Transportation and other agencies and communities in having the best roads constructed with the highway monies available. We appreciate Senator Baucus' efforts to obtain the dollars for the study to determine the best design for Highway 93 and anticipate that the funding will be available for the construction, whatever the design may be.

U.S. Highway 2 and U.S. Highway 93 are the NHS eligible routes in Flathead County. Concerns with the Highway 2 project, from Columbia Heights to Hungry Horse, and Highway 93, Somers to Whitefish project, range from safety issues, environmental issues, how land adjacent to the highway is developed in the future and concerns for need of zoning along these sensitive corridors.

We're fortunate to have national treasures such as Glacier National Park and national forest land, however, this does impact our areas with stresses and strains to the infrastructure. It's our hope that ISTEA will give us some of the answers we need and the funding that makes a project a reality.

We're also in the process of studying a bypass around Kalispell. Costs for the acquisition of a right-of-way and construction of the bypass are astronomical if not impossible for our county. Studies have been going on for 20 to 30 years in looking at bypasses. As you will see in your tour of the Kalispell area, a bypass is long overdue and concern for potential hazardous spills or worse is something we deal with daily. We feel confident that the new Federal highway bill and ISTEA coming into play will allow our bypass to become a reality and not just a dream.

Highway 2 is a gateway to our National Park and parallels the Flathead River through a very narrow canyon. We're sensitive to environmental impacts as well as aesthetic and historical impacts to the Canyon, but we need a road that serves our citizens and the many visitors of the Valley in a safe and pleasing manner. To meet environmental concerns and to build a better highway, I definitely see this project costing considerably more than what can be supported by our local economy, and yet the road will be serving our nation's citizens who come to visit Glacier National Park and our national forests.

We presently have an active advisory committee working on recommendations for the enhancement funds that Flathead County will be receiving. We're excited about the many prospects that we're looking at ranging from pedestrian and bike paths, Rails to Trails projects and historic preservation projects. Flathead County will be receiving 222,110 dollars for fiscal year 1992. The Committee will soon be making recommendations to the county commissioners for review. After selection has been made at the local level, applications will be passed on to the Montana Department of Transportation and the Federal Highway Administration for final approval.

One of the problems that we're looking at with the enhancement fund is the match. We're under I 105 in the State of Montana which means we cannot raise taxes from the 1986 levels. This makes it very difficult if not impossible for us to contribute the local match needed at 13 to 14 percent. I think that we're going to be hampered somewhat in our choice also because we've told the groups that are submitting their plans, "We need the match from you. If you can get it, your proposal will be looked at." And I'm certain that will have an impact on those applications that come in, which ones are chosen and which ones are not.

These are really exciting times in Flathead County. We're glad to have you here, and thank you very much.

Senator BAUCUS. Thank you very much, Sharon.

Secretary Peña?

Secretary PEÑA. I don't think I have any questions.

Senator BAUCUS. Thank you very much. I have a question of you, Al. Would you give some examples of some minor changes to projects that require EIS that you think are an unnecessarily burden? I can understand the point and concept and principle. I'm just curious if you can give us examples so we have a little more understanding.

Mr. SCHELLINGER. We just feel that the EIS isn't—As long as our road system is in place and we are doing very minor changes as far as we don't really change the alignment of our roads any more, we take out curves and stuff, but we do minor clearing and minor alignment of our roads and we feel our road systems are in place, and to have an additional EIS is very costly and time consuming.

Senator BAUCUS. I wondered, Dwayne, do the Motor Carriers oppose the seven cents tax on diesel fuel that the legislature apparently is—

Mr. IRVIN. Oppose?

Senator BAUCUS. Oppose.

Mr. IRVIN. No.

Senator BAUCUS. You favor the seven cents diesel fuel tax?

Mr. IRVIN. Yes. That's what I said; wasn't it?

Senator BAUCUS. I want to get this straight. And the basic reason—

Mr. IRVIN. Well, it's a high tax, but it was proposed. It's a very high cost.

Senator BAUCUS. But you're in favor of it even though it's a high cost basically so that the State is able to come up with a match to fully fund the highway program? Is that basically it?

Mr. IRVIN. I would refer that question to my assistant, Craig. I will have to get with him. Can I do that?

Senator BAUCUS. You can get back to us later.

Steve, would you briefly address the degree that NAFTA, if it's ratified by the Congress, will increase traffic in northern States?

Mr. TURKIEWICZ. We hope so, Senator. I think in several respects. I think as the State Transportation's Director discussed earlier, we're a border State. We're also gateway States east and west as well as north and south.

I think something else you touched on, we were hopeful in Montana that NAFTA will present economic growth opportunities within Montana as well for companies to come to Montana and to take advantage of disbursement as you mentioned earlier. Montana last year saw a significant growth in new business openings. But in Montana most, 80 percent of those new businesses or businesses in Montana, are five or fewer. So we think transportation is exceedingly important. We think that NAFTA with the fact of Montana's long border along the Canadian border will be a significant component or player in that. That's one of the reasons the Montana Legislature is looking very strongly and is proposing a study and is willing to spend some money in the next two years at improving the Great Falls/Billings route, is the feeling of the pressures that will be coming from north/south traffic through Montana as NAFTA comes into place.

Senator BAUCUS. I don't want to put words in your mouth, but would Montana Highway Users Federation then tend to favor NAFTA?

Mr. TURKIEWICZ. I think we would like the specifics of the entire treaty. I'm not sure we're in a position to say we're in favor. I think we would like to see increased trade opportunities to Canada and also the traffic that would bring.

Senator BAUCUS. Thank you.

Senator KEMPTHORNE. I'll hold my questions.

Senator BAUCUS. We're a little bit rushed for time and I really appreciate your testimony. Thank you all very much.

The final panel is more local, including Mr. James Lynch, President of the Kalispell Area Chamber of Commerce; Bruce Boody, Co-chairman, Citizens for a Better Flathead, Transportation Committee; Mike Stocklin, President Flathead Business and Industry Association; and Tony Incashola, Tribal Councilman for the Confederated Salish and Kootenai Tribe.

[Recess.]

Senator BAUCUS. OK, after a little break, Jim, why don't you begin.

STATEMENT OF JAMES LYNCH, PRESIDENT, KALISPELL CHAMBER OF COMMERCE

Mr. LYNCH. Thank you. I would like to thank Senator Max Baucus, Senator Dirk Kempthorne, Secretary of Transportation Federico Peña and the committee on Environment and Public Works for giving me this opportunity to speak to you today.

The enactment of the ISTEA Act of 1991 is very important to States like Montana, with its vast open space, Federal Lands, National Parks timber lands and wilderness both private and public.

The Flathead is one of the fastest growing communities in the State of Montana not only as a place to visit but also a place to raise a family. We host millions of U.S. and Canadian visitors annually.

The Flathead has always stood by patiently watching other Montana communities financially benefit from the interstate system. While we were and still are a community impacted by two US highways of national significance intersecting in our own downtown, these highways are of a design to make it impossible for modern trucks to turn any direction without blocking traffic, hitting utility poles and almost always using the curb and sidewalks as turning lanes. With special thanks to Senator Baucus and the Federal Highway Administration, Kalispell has been the focus of a bypass feasibility study that we hope will be incorporated into the future of Highway 93.

Building, maintaining and reconstructing highways within the State of Montana to service our visitors' diversified needs is becoming very difficult. Our large number of highway miles and a small taxpayer base to provide the matching fund revenues are just a couple of the problems Montanans face in trying to keep up with the demand for better roads. It would be impossible to keep this great State open to our visitors if it were not for the new transportation budget and ISTEA. As important as ISTEA and the National Highway Transportation Budget is in providing revenues to our State, equally important are the requirements to provide for community participation in the design process. We are encouraged because for years the Flathead has had very little say in the design of our highways or how the Federal money will be spent in our community. In past highway reconstruction projects, we were given options of either one design or no build.

Twenty years ago the phrase "Pray for me. I drive Highway 93" was first coined, and still today Highway 93 from Somers to Whitefish, the very heart of the Flathead Valley, remains unchanged. We all can remember 20 years ago as if took place yesterday. Twenty years into the future will come as quick as tomorrow.

We as a community agree with the ISTEA regulations requiring highways built today must service the needs of tomorrow. These highways must be more than mere pavement to move cars and trucks. Our roads need to consider the future of mass transit, commuter lanes, future expansion of service, proper ingress and egress, and last but not least, a separate non-attached lane for bicycles, hikers and the handicapped. We cannot afford to place the ever-growing popularity of transportation by bicycles in a game of highway roulette, sharing an eight-foot shoulder of roadway with passing cars and trucks.

Most importantly, the roads we build today must be designed in a way to help reduce accidents. The Flathead, with its severe winters, large snowfalls and icy roads requires designs that are safe. We can no longer build five-lane undivided highways with what are commonly known as suicide lanes. Roads that are required to carry

large volumes of traffic need to be designed in a way that does not require our high speed lanes to double as turn lanes.

The negative economic impacts that major construction projects can have on communities are often outweighed by the pluses a new highway may bring to your community, provided these highways are designed so that communities do not have to go through the construction process again a few short years later, or worse yet, have to live with a highway that becomes overcrowded and never lives up to its pre-construction expectations.

The new Federal regulations that require communities and the State Highway Department to work together prior to arriving at a set design is a very important step in reconstructing highways. This process will recognize the need to design and build highways that do not interrupt the economic vitality and the scenic environment that has made this Valley so attractive. It is no longer wise to design roads based purely on construction costs.

The changes in how Montanans must design roads as mandated by the new transportation Act do not come without a price tag. Nevertheless, we believe in the long run we will see less courtroom challenges to highway design and location. We will see less resistance by local community and special interest groups. We will save millions in county road funds currently being spent to repair damage by overflow traffic that could have been better served on our highway system. Equally important to the citizens of our communities, we hope to develop a positive relationship with the Federal highways, State highways, county governments and city officials to design and build the best highways to service not only today, but tomorrow. Thank you very much.

Senator BAUCUS. Thank you very much, Jim.

Next, Mr. Boody?

STATEMENT OF BRUCE BOODY, COCHAIRMAN, TRANSPORTATION COMMITTEE, CITIZENS FOR A BETTER FLATHEAD

Mr. Boody. Chairman Baucus, Senator Kempthorne and Secretary Peña, I would like to thank you for giving us this opportunity and I would like to let you know that it's not just the government agencies, but citizens' groups all around Montana that are excited about the opportunities inherent in ISTEa. For the first time we have a bill that asks to consider the overall social, economic, energy and environmental effects of transportation decisions on our communities. It's a holistic approach to transportation and it ensures that projects will not only move people and goods, but will enhance the communities they serve.

The turnabout to begin implementing a new process and a new approach to these projects, not just designing highways, is a difficult transition and it's going to take a lot of education and a lot of work to bring our rural communities up to speed.

In the Flathead Valley we have the opportunity to plan before major growth occurs and to learn from other communities' mistakes. Because rural communities have generally not experienced gridlock and strip development, classic symptoms of failed transportation planning, a vision which embraces intermodalism will first require education to change transportation habits.

In an urban setting with a high volume of use, an integrated intermodal system can be fiscally feasible. How do we design an integrated intermodal system at a cost that is feasible in rural areas?

Tourism in rural areas also presents its own unique set of problems. How do tourists get from one mode of transportation to another? How do you design a rural transportation system to accommodate peak usage? How do local governments fund the design, implementation and operation of systems that have to be geared to service two to four times the local population levels? These are real important concerns in areas like the Flathead.

The western and southern corridors from Glacier National Park to Yellowstone National Park need to be studied as a whole. Every inner-mountain valley, and these are very geologically unique valleys, the Flathead, the Mission, the Bitterroot and Galatin, are all experiencing rapid growth without any long-term vision for transportation needs. Past planning in these areas responded to current traffic volumes and needs.

The Metropolitan Planning Organizations which are federally funded long-term planning teams authorized and mandated under ISTEA, are only available to communities with populations exceeding 50 thousand people. By the time Montana's inner-mountain valley communities reach populations in excess of 50 thousand people, transportation planning will be extremely difficult, to say the least, and the associated costs will be many times greater than if the planning begins today.

Public education needs to assist communities to identify the broad impacts of transportation projects and to identify issues that are important to their communities, today and 20 years down the road.

"The Federal Highway Administration is committed to design and build highways that fit harmoniously into communities and the natural environment." That's a quote from Visual Impact Assessment, a Six-step Process for Evaluating Transportation Projects, a video by FWHHA and MNDOT.

We're concerned about enhancements. Enhancements should be project designs that enhance communities and the environment. It should be a holistic approach to planning for livable communities mandated by Congress and the FHWA. Enhancements need to be an integral part of transportation planning and design rather than removed from the process. Enhancements must be incorporated in the design process from the beginning rather than as an afterthought. It is important that transportation projects truly be built from the ground up, incorporating community interests, natural and human resource concerns and long-term visions.

We here have the opportunity to plan before major growth occurs, and we have the opportunity to be innovative. Thank you. Senator BAUCUS. Thank you very much, Bruce. Mike Stocklin. Mike?

STATEMENT OF MIKE STOCKLIN, PRESIDENT, FLATHEAD BUSINESS AND INDUSTRY ASSOCIATION

Mr. STOCKLIN. Secretary Peña, Senator Baucus, other distinguished members of the Panel, members of the audience, ladies

and gentlemen, my name is Michael Stocklin, President of the Flathead Business and Industry Association, today offering you testimony on ISTEA, but more specifically on behalf of the FBIA's membership in Flathead County.

The FBIA strongly urges the classification of "Top Priority" to the reconstruction of US Highway 93 from Somers to Kalispell due to the volume of present traffic on the roadway, the escalating population in the Flathead Valley and the peak load demands on the aging highway during the June through October tourist season and our concern for the health, safety and welfare for all of those who drive 93, a concern stated previously by Mr. Lynch and one that is not ours alone and is also stated by every motorist, as the locally created bumper sticker that gave, "Pray for me. I drive 93," attest.

Let us elaborate for a moment on the growth of the Flathead Valley area, specifically the population of the northern portion of the valley. The estimates our organization most often relies upon are those arrived at by PTI Communications, the major telephone company serving this area. We have submitted a copy of the PTI demographics report along with copies of the testimony we are here presenting.

DEMOGRAPHICS NORTH FLATHEAD VALLEY, MONTANA

	1980	1991	% Change
Total Population	53,895	61,565	14.23
Number of Households	19,515	23,635	21.11
Number of Families	14,792	17,918	21.13
Sex:			
Male	26,918	30,484	13.25
Female	26,977	31,081	15.21
Age Groups:			
0 to 5	5,310	5,538	4.29
6 to 13	6,975	8,129	16.54
14 to 17	3,987	3,823	-4.11
18 to 24	5,902	3,962	-32.87
25 to 34	9,657	8,888	-7.96
35 to 44	6,384	10,977	71.95
45 to 54	5,088	6,928	36.16
55 to 64	4,942	5,273	6.70
65 & over	5,650	8,047	42.42
Median Age	29	34	17.24
School Enrollment (Age 3+):			
Nursery School	653	719	10.11
Kindergarten-8	7,743	8,920	15.20
High School	3,732	3,628	-2.79
College	1,719	1,273	-25.95
Number of Housing Units:			
Owner Occupied	14,488	17,564	21.23
Renter Occupied	4,983	6,071	21.83
Vehicles Available to Households		33,621	
Household Income:			
Less than \$20,000	12,109	8,882	-26.65
\$20,000 to \$29,999	4,551	5,025	10.42
\$30,000 to \$39,999	1,687	3,946	133.91
\$40,000 to \$49,999	616	2,130	245.78
\$50,000 and Above	552	3,652	561.59
Average Household Income (\$)	18,311	32,357	76.71

Mr. STOCKLIN. The report shows a total population growth rate on an annual basis of 14.23 percent in the period from 1980 through 1991 with the estimated population growing from 53,895 to 61,565. Carrying those numbers forward through the end of 1993 and using PTI's 1991 percentage rate, we would project the Valley population to now total in excess of 63 thousand people.

These people are basically commuters who drive to and from residences in Bigfork and Whitefish areas, Columbia Falls area, to work in Kalispell. This type of commuter driving is done on a daily basis of a minimum of two trips per day. It is mainly done on Highway 93 North and Highway 93 South. Commuter driving by thousands of permanent residents is one type of use then of Highway 93. A wearing, grinding high stress and most often dangerous type of use.

Then we have the commercial and industrial use of this two-lane nightmare by all valley residents because Kalispell is the trade market, financial governmental and shopping hub for the area. It is also the educational center with Flathead Valley Community College and hundreds of students make the daily trek over the blacktopped beast to attend classes.

As if all of that traffic on this hazard to humanity wasn't enough, Highway 93 is also the recreational roadway used by thousands of local and non-local skiers bound for the slopes of the Big Mountain, for golf courses and other recreational opportunities. It is also the main people pipeline for our Canadian neighbors and other visitors from north of the border. We could go on and on about the multiple users of this hellish highway, but we believe you have sufficient information with which to render a decision favorable to making the reconstruction of this declining deathtrap a top priority.

Now we would like to take this opportunity to say a very few words about the local controversy that has caused confused signals to be received at upper levels and halted the reconstruction efforts that had started on US 93 in 1984, resulting in expenditures of three million taxpayer dollars and stopping just short of one shovel full of asphalt being laid. The membership of the FBIA is fully aware that an EIS study has now been funded and is going forward. It is our plea that all of these who have been party to the highway design kibitzing in the past put their copied blueprints in the fireplace and be agreeable to accept whatever verdict on the design of the highway that comes about as a direct result of the EIS study and the highway design planners at the Montana Department of Transportation. By so saying, the FBIA membership also agrees to put aside its own concepts of what a reconstructed Highway 93 should like look and bows to honor whatever decision is arrived at by the process that is now underway with only the sidebar comment that the FBIA's only concern in pushing for the reconstruction of Highway 93 by the fastest possible means has been one of concern for the safety of the public.

The FBIA, unlike many others involved in the controversy surrounding this project, has no political axe to grind. We simply urge all factions to join together to get these 20 some miles of road constructed in a timely manner.

We thank Secretary Peña, Senator Baucus and other members of this Committee for journeying to the Flathead to see first hand the transportation problems of this area and hearing in person the concerns of the areas' citizens. Thank you very much.

Senator BAUCUS. Thank you very much, Mike.

Next Mr. Tony Incashola. Is that right?

Mr. INCASHOLA. Incashola.

Senator BAUCUS. Incashola. I'm sorry. Thank you.

STATEMENT OF TONY INCASHOLA, TRIBAL COUNCILMAN, CONFEDERATED SALISH & KOOTENAI TRIBE

Mr. INCASHOLA. "Hest shal halt." Good morning to all. I hope that you have my full written testimony.

Senator BAUCUS. We do have it here, yes.

Mr. INCASHOLA. I will take portions of this. Again, good morning to Senator Baucus, Senator Kempthorne and Secretary Peña. My name is Tony Incashola. I'm a member of the Tribal Council of the Confederated Salish and Kootenai Tribes. Thank you for inviting me to provide testimony today.

I would like to take this opportunity to thank Senator Baucus for his efforts in getting ISTEA enacted. The Tribes applaud Congress for establishing a new vision for surface transportation in America, and for the first time recognizing tribal governments' role in transportation planning that affects tribal reservations and homelands.

Since the intent—or since the Flathead Indian Reservation was created in return for Tribes ceding millions of acres of land to the United States, the Tribes have a very strong interest in protecting our reservation and aboriginal homelands. The Tribes are very concerned about the impacts the proposed expansion of US Highway 93 will have on our reservation resources and environment. The Tribes believe that safety considerations and the expansion of US 93 can be addressed while preserving the natural and cultural character of our reservation. We strongly recommend that in designing US Highway 93 that the level of service and capacity considerations be balanced with the community's desire to preserve the natural and cultural character of our beautiful homelands.

Since you have most of the written statement, Senator, I would like to at this time talk a bit about, as you recall the Medicine Tree site in the Bitterroot is a significant cultural and religious site of the Salish people which is located in the Bitterroot Valley. This site could be further impacted by Montana Department of Transportation's Conner north and south project. In 1991 through your deeply appreciated efforts you assisted the Tribes in obtaining special appropriations to develop alternative highway alignment that would protect and enhance this site.

That is the reason why I bring this to your attention that the problems of Highway 93, the expansions, the developments, reaches a little further for me and my people than most because it impacts a little bit of our religion, a little bit of our history. That Medicine Tree site has been for years what non-Indians would consider a type of a church. To Indian people that is a place where we go to pray annually. Twice annually we go down there. And then over several years now the increase of traffic on that stretch of highway

has caused some safety concerns with the people because the highway, the pavement, is not more than eight to ten feet from the tree itself and it's a steep slope right next on the other side. Therefore, the people that go down there to pray and to worship utilize portions of the highway and it's very risky when they have children with them.

And traffic. There's a lot of logging trucks go up and down in that. So it goes beyond the concerns that you've heard today.

There are a lot of concerns and I'm very appreciative that we are all able to voice our concerns and I do not envy your job to come up with the best possible solutions for everything that you've heard today.

With the concerns of growth in our valley, not only in the Mission, but Flathead Valley, we must look beyond the 10, 15 years of planning. Growing up, I was always taught to think beyond seven, at least try to think seven generations ahead, what you're going to do, what you're going to leave for your people, for your children seven generations from now. And I would like to think that we need to not only look for solutions today that will last 10, 15 years, but for generations to come. What are we going to leave for our people? Not only mine, but yours.

We have to remember that we're here a short period of time. We're here to take care of this portion of land the best we can so that down the road your grandchildren, my grandchildren and children that are not even thought of yet to come will benefit from what we leave here, will benefit from clean air, safe highways, will benefit from the beauty that surrounds us. We must plan every move that we make. It extends beyond the highway system. It's beyond the timber that we have, the logging. We must think of all of that. We must not only focus on certain things because it has a lot of effects down the road. We must think that when I'm gone, when we're gone, that we have done the best we can to preserve what we have left here for those yet to come. That is the goal of me, my people, the Tribal Council. We try to look beyond those few years.

We must think that the lifetime—the residents that have been lifetime residents of this area and my valley—I have been a lifetime resident. It might be a short period of time of only 46 years, but I have been there all of my life with the exception of two years that I spent in Vietnam. Other than that, I've lived in this area and I've seen the growth. I've seen the traffic jams that are happening on 93, and it's very frightening. It's frightening because I see more and more impact to the area in which we preserve, which we vowed to protect and to help, to enhance the growth as much as we can. And I think we need to think about it again looking down the road, "Is this what we want?" We must not jump into something that's a short-time solution. We have to look at those long-time solutions.

And we must as communities, Kalispell, St. Ignatius, Missoula, although we have a beautiful country in the northwest Montana, we must protect it somehow so that we don't—the growth does not overwhelm the beauty of this land. We must at the same time think of the safety factors on Highway 93.

And again, the Tribes appreciate your efforts in reviewing the implementation of ISTEA. The Tribes stand ready to provide you and your staff with assistance in developing recommendations to address our concerns and to assure that the intent of ISTEA in providing Tribes with meaningful participation in transportation planning is carried out. Again, thank you for this opportunity to provide this testimony.

Senator BAUCUS. Thank you very much, Tony, for that very important statement. I'm particularly impressed with the concept of thinking seven generations down the road. That's something that's quite foreign to most Americans most of the time. It also leads me to a concept that I think this country should pursue, and that's basically sustainable development as a goal, and the more this country in making decisions to effect the economic growth of this country does so with the concept of sustainable development, in protecting the environment in the indefinite future and the more I think not seven generations, but one or two generations, and that's better than no generations, on down the road. That's a concept I think that many of us lose sight of too easily and a concept we should not lose sight of.

Jim, I'm impressed with your testimony. You're a businessman. Your business is on 93. Could you tell me how your business and other businesses now on 93 are going to be affected with reconstruction?

Mr. LYNCH. Yes, and I think that's—Senator, not only my business, but there are an awful lot of businesses that are not on Highway 93 that will be affected by the reconstruction of Highway 93 and that's why it's very important that the design of Highway 93 involve, I mean, legitimately involve the community to understand some of the economic impacts as well as the pluses that will happen on 93.

You know, we can imagine Highway 93 being our only north/south route in this Valley, and it probably incorporates the majority of the traffic, as Mike Stocklin talked about, the commuter traffic to come into Kalispell to work as well as the trucks that the trucking industry commented on that bring the goods and services to our community. If that highway is eliminated for our use for a period of time you can imagine what it would take to construct Highway 93 from Somers to Whitefish and the negative economic impacts that will place on our community.

An example of that would be the impact that our county roads will have when traffic that would normally travel on Highway 93 is now using Farm to Market Road, Whitefish Stage and other roads which are not built to the standards to take even a fraction of that traffic and the cost of county dollars to repair those roads once it is completed.

It's fairly important—There's going to be a lot more cost in our community associated with the construction of Highway 93 and it's very important that the design be done so that we do not have to go through this again three, four years down the road after it's constructed.

Senator BAUCUS. You're head of the local chamber here. Usually chambers of commerce don't oppose immediate construction of a highway. Why have the Kalispell Chamber of Commerce or the

Flathead Chamber of Commerce not agreed to the original design proposal because that's immediate jobs?

Mr. LYNCH. Probably two reasons. One is the economics. The responsibility of the Kalispell Chamber is the chamber of business. We're interested in the economic impact that this highway construction can have on our community. And that's why the Chamber got involved there.

The other concern is we are very much concerned that if Highway 93 is not designed according to the Federal regulations which are putting up 80 percent of the cost to build this highway, that we may have a foreseen problem down the road in 1996 when the roadway was originally to be constructed stopping this project, a project that is very seriously needed in our community. And we do not want that to happen.

And that's why the Chamber of Commerce as far back as 1990 tried to get involved in the design process to ensure the citizens of our community that when construction time came for Highway 93, it would be built and it wouldn't be stopped and delayed five, six, seven, eight, maybe ten years into the future before the construction started. So that's primarily the two reasons why the Chamber of Commerce felt compelled to be involved in this controversy.

Senator BAUCUS. Mike, I guess I would like to ask you a related question without getting involved in all this—What do you think the criteria should be in addressing the growth in the Flathead? You heard and know all the estimates of potential growth in the area and you heard Tony's statement. What criteria do we use in designing reconstruction of 93 that address all of these present changes and anticipated growth pressures on down the road?

Mr. STOCKLIN. Senator, I guess the first answer I would have is I believe that's why we're doing this study. The second answer I would have is that public safety has to be the primary concern. Commercial interests have to be the perhaps second or third concern in building a highway of this nature because you also have to consider the practicality of what you're building, and once you have established this roadway, whatever design it is, can you afford this roadway? Can you maintain this roadway in the proper manner, specifically if you're dealing with a lot of landscaping, shrubbery, things of that nature? Can we in practicality maintain this road once it is constructed? So I think there's a great deal of things that have to be considered as well as the culture and customs of the area. But all of that I'm sure now will take place under this study that's being done.

Senator BAUCUS. Two other concepts. One is aesthetics, how important are aesthetics? And second, how important is access? Should there be unlimited access or limited access do you think looking at the future growth in the area?

Mr. STOCKLIN. I think what I would say in answer to that is I would hate to see the roads-back method of land use planning. I would rather see—

Senator BAUCUS. What do you mean by that?

Mr. STOCKLIN. What I mean by that is I would rather see—And this would be more my personal opinion. I would rather see a roadway with good, regular access to it than extremely limited access in which you would have similar to an interstate highway system

where perhaps Kalispell and Whitefish become exit signs off of an interstate highway by a different name. And personally I would be against that. I can't necessarily speak for our membership on that, but personally I would be against that sort of construction.

Senator BAUCUS. I suppose the proper result is somewhere in between.

Mr. STOCKLIN. Right.

Senator BAUCUS. How much in between is the answer.

Mr. STOCKLIN. Exactly.

Senator BAUCUS. Mr. Peña, any questions?

Secretary PEÑA. Well, I'm not about to jump into this debate on 93. We are going to visit it I think. I guess more than a question is simply an observation. This is sort of a national perspective.

Two points. One, one of the things that I learned the hard way, one of the harsh lessons I learned as Mayor of Denver for eight years and trying to do major infrastructure projects is there's always one group, one person, one entity out there that can stop anything. Our system of laws and interventions is such that that's the reality of what we do today.

And so first of all, I just want to commend all of you for taking the time to bring all the parties together to try to reach a compromise on this issue. Because I have found in our city we were able to get major projects done by bringing all groups together, trying to address all their interests. That's the first editorial comment I would make and I hope you get through the process and see the results.

The second editorial comment is this: When I think about the literally billions of dollars that we're going to be investing in highways and bridges and infrastructure all over the country, I hope that the Department of Transportation can work in a supportive way with States throughout the country and localities in thinking about design and aesthetics as we build these billions of dollars of infrastructure. Not in a wasteful way, but in a way that really responds to design. I look at the historic bridges we have in our country today that were built 50, 60, 80 years ago which are works of art in many respects that we hate to tear down sometimes because they're too beautiful, and we thank the people who thought about that. And I hope that we are able to bring that kind of thinking without being wasteful or extravagant or building Taj Mahals necessarily, but to build in the design element at the early stages that doesn't cost any money but to actually design something that we will all be proud of. And I hope we can bring this philosophy of infrastructure to your community since it will have a massive impact on your community for decades to come. No questions. Just editorial comments.

Senator BAUCUS. I would like to ask you, Bruce. Jim and Mike have both said that essentially they're going to accept whatever conclusion comes out of all this. There are some in the area who think that the organization, Citizens for a Better Flathead, is a little uncompromising in its view and it's got a certain one single shot view and that's it. Can you address that concern, please?

Mr. BOODY. Well, I guess I would have to say that I don't believe that's true. All we've ever asked for six years was not for a particular design project, although sometimes I must admit we were

forced into a corner where we needed to propose that. But we've asked that the issues that concern the Flathead Valley be addressed, and in our written testimony we've submitted a list of issues that we feel are of concern about this highway design project. And that's my answer. We don't have a particular project in mind, especially when we're working under a whole new legislative Act now than when the original project began under ISTEA. So I think we just have to all sit down and all do the best we can to address the issues.

Senator BAUCUS. So your concern is just to ensure that sufficient involvement in all the various design proposals are duly considered?

Mr. BOODY. Involvement and really thorough study of the issues.

Senator BAUCUS. Thank you.

Senator Kempthorne?

Senator KEMPTHORNE. Mr. Chairman, I certainly believe that the particulars of Highway 93 should be left to the Montanans, so I know my place.

Senator BAUCUS. You're not going to come over and come fishing?

Senator KEMPTHORNE. I'm going to come fishing, but I don't think you need another fellow from D.C. telling you how to do it. Again, I think that with the Senator and all of you working together you can resolve this. That's as it should be.

I would just say that personally I've benefited from this hearing. All of the panels were, I think, very helpful, and in my new capacity now as a Senator I know that as we talk about ISTEA and the surface transportation, etc., that different pieces of information that you provided today I will be able to reflect upon. It'll help me in my decision making. I appreciate that.

One thing that I certainly have heard today is that there's universal support for full funding of ISTEA and I'm certainly one of those outspoken proponents, that we need to have full funding of ISTEA and allow it to accomplish what it is intended to accomplish.

So Mr. Chairman, thank you for convening this hearing and thank you for inviting me. And Secretary, thank you also.

Senator BAUCUS. I think this is the moment of thanks. I too want to thank all the panelists. You've all been very thoughtful, and unfortunately we don't have the time we would like to have to explore it more fully. We now, the three of us and a few others, are going to get on a bus and add to the congestion of 93 for about an hour before the Secretary catches his plane.

I would like to again thank the Secretary for taking the time to come. Let's give Secretary Peña a big round of applause. And also thank Senator Kempthorne for coming over from Idaho. Let's give him a big round of applause. And thanks to all of our other witnesses, staff, and I know many have come great distance, traveled many miles to come to this hearing.

I agree with Senator Kempthorne. I found this hearing very educational. I've learned a lot. This is going to be the first of many hearings on this subject. I see associates I've worked with over the years and will continue to work with in future years, and thank you all very much. I guess as a demonstration of democracy and

action, let's just hope the results of this bear fruit to warrant our efforts. Thank you all very much. I appreciate it. The hearing is adjourned.

[Whereupon, at 11:55 a.m., the committee adjourned, to reconvene at the call of the Chair.]

[Statements submitted for the record follow:]

STATEMENT OF HON. FEDERICO PEÑA, SECRETARY OF TRANSPORTATION U.S. DEPARTMENT OF TRANSPORTATION

Chairman Baucus, Senator Kempthorne, distinguished State and local officials, thank you for the opportunity to testify in the first field hearing on the implementation of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) as it relates to rural areas.

As a former local official in a Western state I am already cognizant of some of the rural transportation problems that Western rural States encounter. I further recognize that the ISTEA is very significant for rural areas as well as urban areas and I am looking forward to working with all of you to implement it expeditiously and equitably as it was intended. I salute Senator Baucus for his work on this landmark legislation and I look forward to working with him and the Congress on implementing an Act which opens up many new transportation opportunities for you who reside in Western rural areas. This is an exciting time for transportation officials as we go full speed into ISTEA implementation along with the Clinton Administration's economic stimulus funding for infrastructure programs such as "Rebuild America" and the Administration's technology initiatives.

The ISTEA brought about a new way of doing business. This new approach to transportation requires transportation officials at all levels of government (and the private sector) to look closely at how transportation affects the environment, the economy, and the overall quality of life. Participation by local officials is one of the keys to making the ISTEA work. That is why we are here today. The ISTEA has opened a new door to transportation choices. Choice brings responsibility, and for rural communities, the responsibility is to voice concerns effectively to ensure that rural needs are addressed. The U.S. Department of Transportation (DOT) is committed to continuing its efforts to work with local governments and rural communities in order that they achieve their goals. I would like to summarize some of our implementation efforts to date.

Federal, State and Local Interaction

The ISTEA has provided both opportunities and challenges to Federal, State, and local governments, but especially so to the State and local governments. The Federal/State partnership in the highways area has long been recognized as one of the strongest of any Federally assisted program. The local governments, however, have not always been actively involved. The ISTEA has given them an elevated partnership status at the Federal and State levels by providing them opportunities they either did not have before or had at a much lower level of involvement. Now, they have an important role in planning and programming many improvements and in the selection of projects to advance. In fact, they have a responsibility to be actively involved with the States and the States have a responsibility to involve them.

These new responsibilities and roles do not come without some difficulties. For example, there is a pattern of traditional thinking and approaches that must be overcome to insure that nontraditional players are fully involved. While many State and local officials are moving ahead with the ISTEA's new way of doing business, there still is much learning and reorientation required. This is one of the major challenges: we must be diligent in working together now to achieve the aims of ISTEA because a strong State/local relationship is essential if we are going to manage and effectively address our numerous transportation needs.

Outreach Activities

We have taken the partnering aspects of ISTEA very seriously by creating and improving ties with our partners at every level, both within and outside of Federal, State, and local governments; helping the Metropolitan Planning Organizations (MPOs); giving a voice and vision to the diverse public and private interests affected by the ISTEA; encouraging minority and women business enterprise; and working with our long-established partners like the American Association of State Highway and Transportation Officials (AASHTO), the National Association of Governors Highway Safety Representatives, the U.S. Conference of Mayors and other groups. In addition, we have held hundreds of outreach and informational meetings with

many diverse groups throughout the country since the ISTEA was enacted. DOT outreach is why I am here today.

This outreach will continue. In order to ensure widespread distribution, interim ISTEA guidance memoranda were compiled and published in two Federal Register notices issued on April 23, 1992, and January 4, 1993, and we intend to issue additional ISTEA implementation publications in the future. Early in 1992, we established a conference on the Federal Highway Administration's (FHWA) Electronic Bulletin Board System (FEBBS) to help disseminate guidance on implementing the ISTEA. The ISTEA conference includes nearly 300 questions and answers and 50 policy memoranda on ISTEA implementation, with information from both the FHWA and National Highway Traffic Safety Administration (NHTSA). When the ISTEA conference was opened to the public, the number of calls to FEBBS each month doubled from 2,500 to 5,000. Thus, FEBBS has been an essential component in our efforts to disseminate information and assist State and local officials and MPOs in implementing the ISTEA.

Economic Stimulus

I would like to now briefly discuss one of the significant elements of the President's program. House-passed H.R. 1335, the FY 1993 Emergency Supplemental Appropriations bill, contains generally the same highway provisions as proposed by the Administration in its economic stimulus program. Under H.R. 1335, the FY 1993 Federal-aid obligation limitation would be increased by \$2.976 billion above the current limitation of \$15.327 billion. Thus, the new obligation limitation would be \$18.303 billion.

The increase in the obligation limitation, which would be distributed to all the States based on existing law, is an element of the President's program to emphasize investment and to jump-start the economy. The overall impact of the additional obligation limitation would be to reduce unemployment and to increase the funding available for maintaining the conditions and performance of our Nation's highways and to permit the States to better address priorities.

The additional obligation limitation would result in job growth in the near-term because it would be used for highway projects that are ready to go. The Office of Management and Budget estimates that the additional obligation limitation would support 70,000 additional direct and indirect highway construction jobs. Unemployment in the construction industry in general is over 15 percent nationally, and even higher in many States. The transportation component of the economic stimulus proposal would thus serve as a key source for job growth in the construction industry and related businesses.

FY 1994 Long-Term Investment Program

The Administration's FY 1994 budget released last week will provide for full ISTEA funding of the Federal-aid highway program. In FY 1994, the obligation limitation would be \$18.398 billion, or about \$2.7 billion more than the baseline estimate of \$15.7 (the pre-stimulus FY 1993 enacted budget plus inflation). When programs that are exempt from the obligation limitation are considered, the total Federal-aid highway program will be about \$20.5 billion. This level of funding is consistent with the Administration's vision of increased public investment to improve productivity.

Full ISTEA funding is also important in order for the transferability and flexibility provisions to work to their fullest potential. The multi-modal availability of funds and expanded project eligibility have resulted in greater competition for ISTEA funds. Such transferability as well as innovation could suffer in a climate of restrictive spending. In many cases, competition for funds may work against newer programs, especially when they are competing with existing projects which are "on-the-shelf" and ready to go. While the FHWA has done as much as possible to create a level playing field, the amount of funds available is probably the single biggest factor in ensuring that new programs are successfully delivered.

Relative to the future investment proposals, full ISTEA funding would result in the following investment levels:

- FY 1995: Obligation limitation - \$18.3billion;
Federal-aid total - 20.7billion;
- FY 1996: Obligation limitation - \$18.4billion;
Federal-aid total - 20.9billion;
- FY 1997: Obligation limitation - \$18.4 billion;
Federal-aid total - 21.0 billion;

Thus, under the Administration's highway investment proposal, the total obligation levels for FY 1994-FY 1997 would be \$8.6 billion higher than the baseline levels (which are the FY 1993 enacted levels adjusted for inflation). When compared to baseline funding, the Administration's highway investment proposal will result in:

- Decreased deterioration of the highway system by supporting more highway resurfacing, restoration, and rehabilitation projects. These projects reduce pavement deterioration and the resulting higher costs of major reconstruction projects.
- Less congestion. We have estimated that the congestion cost is about \$39 billion annually in urban areas with populations larger than 1 million.
- Increased highway safety. The Nation's annual cost of motor vehicle accidents including deaths, injuries, and property damage is approximately \$137 billion. In 1992, about 39,200 people were killed in traffic related accidents. Although this is a tragic loss of human life, we do note that this is the lowest fatality toll in 30 years and represents a 16 percent drop in fatalities over the past 4 years. The national highway fatality rate now stands at about 1.8 deaths per 100 million vehicle miles of travel. This is the lowest ever, just half of what it was less than 20 years ago, and one of the lowest rates in the world. But we can and must do more. In addition to the FHWA's ongoing programs to make the highway environment safer, NHTSA has an extensive program to specify and facilitate deployment of collision avoidance systems. NHTSA and FHWA are also working together to implement the safety belt and motorcycle helmet use provisions of the ISTEA. ISTEA's sanctions for failure to enact mandatory belt and helmet laws should expedite implementation in all States of these very important safety measures; to date, 44 States have safety belt laws in effect, 25 have universal helmet laws in addition to the District of Columbia and Puerto Rico. In addition, we hope to make our arsenal of highway safety measures even more effective through the highway safety management systems.

With respect to taxes, full ISTEA funding for highways is based on the extension and transfer to the Highway Trust Fund, beginning October 1, 1995, of the 2.5 cent per gallon motor fuel tax currently being paid into the General Fund of the Treasury for deficit reduction. Two cents of this amount would be dedicated to the Highway Account and the remaining one-half cent would be dedicated to the Mass Transit Account of the Highway Trust Fund. Without such additional financing, we project the Byrd Amendment would trigger a reduction in apportionments as early as FY 1995. Under the Byrd Amendment, as amended, unfunded authorizations at the end of the fiscal year in which an apportionment is made must be less than the balance in the Highway Trust Fund at the end of the fiscal year plus revenues anticipated to be earned in the following 24-month period.

The Administration's message is also that increased highway investment means smarter spending of dollars, not only spending more dollars. The FHWA is focusing on those high pay-off measures which make the best use of current surface transportation dollars, systems, and techniques. Such programs include the IVHS, the six management systems required by ISTEA, and the National Quality Initiative, which holds tremendous potential for improved planning, design, and construction at the least annual cost. Last November, the FHWA along with leaders in the transportation industry pledged to make a continuing commitment toward the production of quality products and services through a partnership approach. We are continuing this commitment through regional workshops.

With regard to the transit program, for FY 1994, \$4.6 billion is requested for the Federal Transit Administration (FTA), an \$802 million (21 percent) increase over the enacted level for FY 1993. The request emphasizes long-term capital investment in mass transit infrastructure. Formula capital grants and Discretionary Grants total \$3.424 billion, almost 90 percent of the authorized level.

Federal capital funds, together with State and local matching funds, will be used to upgrade rail facilities and equipment and replace rail rolling stock, thus beginning to eliminate the backlog of unmet rail investment needs. The funds will also replace buses and vans, and rehabilitate bus facilities. The newer vehicles will not only be safer and contribute to improved air quality, but will also be more accessible to persons with disabilities.

The funds provided directly for transit in the FTA budget may also be supplemented by other ISTEA funds administered by FHWA, depending on State and local decisions. The ISTEA provides new flexibility for various accounts to be used to fund any eligible transit capital project.

The ISTEA Planning Process

The ISTEA formalized a statewide planning process. The goal of the statewide planning process is to encourage the development of transportation systems embracing various modes of transportation in a manner that will serve all areas of the State efficiently and effectively and involve local Governments more consistently. State transportation plans, programs, and projects all must conform with the State

Implementation Plan (SIP) for attaining the National Ambient Air Quality Standards (NAAQS). Mr. Chairman, you have been a leader in the environmental arena and I fully agree that transportation and air quality goals are interdependent. I recently met with EPA's Administrator Carol M. Browner, to discuss our related programs and to initiate an ongoing dialogue so that our programs are coordinated and complimentary.

Out of the statewide planning process must come a long-range transportation plan covering the entire State. From the plan will flow a Statewide Transportation Improvement Program (STIP) that covers all highway and transit projects.

State and local officials are urged to consider not only the condition of pavements and bridges—but also the roles of transportation within the economic, cultural, and ecological life of the State and local communities, as well as the multimodal approach to transportation problems.

Local planning and air quality officials will need to coordinate early in the development of land use plans and transportation alternatives to ensure that air quality concerns are adequately considered. This early coordination is important because local land use decisions will often dictate the transportation systems that are needed in metropolitan areas. Statewide planning is to be coordinated with metropolitan area planning and reflect rural economic growth, tourism development, recreational development, and the concerns of Indian tribal governments. The end result will be that whatever governmental entity selects projects, it will be choosing from an approved, fiscally reasonable, and prioritized STIP developed through a cooperative decision making process.

Management Systems

We have also been working closely with the States in developing the six management systems provided for in the ISTEA in the areas of (1) highway pavement of Federal-aid highways, (2) bridges on and off Federal aid highways, (3) highway safety, (4) traffic congestion, (5) public transportation facilities and equipment, and (6) intermodal transportation facilities and systems. These six systems will guide the States in making prudent decisions when using their limited resources to improve the efficiency of the nation's transportation system.

In addition to holding public meetings on the traffic congestion, public transportation, safety and intermodal management systems, we published a proposed rule on the systems on March 2, 1993, seeking information from the public. Rather than imposing overly prescriptive Federal requirements, the proposed regulations identify the desired end goals of the systems; and would grant the States and other affected groups flexibility in developing systems which are tailored to their specific needs. Because no final regulations have yet been issued, progress by the States in implementing these management systems has been varied. Several States have active operational pavement management systems. Others are in the development stages testing newly developed systems. Still others are beginning by hiring consultants to set up computer systems to analyze data and organize diverse functions. The Department needs State and local input on any problems. The public docket comment period ends May 3, 1993.

ISTEA Flexibility and Project Eligibilities

One of the key concepts that the ISTEA seeks to foster is funding flexibility and transferability. ISTEA created the Surface Transportation Program (STP), a new block grant type program, that States and local officials may use for any roads, including the National Highway System, (NHS) that are not classified as local or rural minor collectors. Transit capital projects are also eligible under this program. The FHWA has encouraged State and local governments to utilize the ISTEA funding flexibility and broad project eligibility provisions. Taking advantage of this flexibility, States transferred almost \$1.1 billion among the highway programs and also over \$300 million from highways to transit.

The ISTEA expands the types of projects and activities that are now eligible under the basic programs. Some of the expanded eligibilities are: transit capital improvements, transit research and development, transportation planning, wetland mitigation, start-up costs for traffic management and control, and transportation enhancements. The ISTEA allows local areas to decide within a wide range of eligibilities what is best for their communities.

National Highway System

Let me now turn to the NHS. ISTEA explained the NHS this way: The purpose of the National Highway System is to provide an interconnected system of principal arterial routes which will serve major population centers, international border crossings, ports, airports, public transportation facilities, and other intermodal

transportation facilities and major travel destinations; meet national defense requirements; and serve interstate and interregional travel.

The system, which will be proposed by the Department, in consultation with the States and local governments must be submitted to Congress in December of this year. Congress in turn must designate the system in law by September 30, 1995. The States must submit their proposals by April 30, 1993.

A number of States represented here today support a large NHS—larger than the mileage targets given to the States by the FHWA in June 1992. Those rural and urban mileage targets were based on the 150,000-mile illustrative NHS submitted to Congress in February 1991; this submission would directly serve 55 of 58 urban areas (5,000 population or greater) in the four-State region—Montana, Wyoming, North Dakota, and South Dakota.

We realize that continuity of system is important in the West. The Department is aware of the NHS designation issue in this area and we will be working with this Committee as well as with the States to resolve these issues. As a part of this effort, FHWA Headquarters staff will meet with representatives of the four States mentioned above early in May in North Dakota. We will consider the great distances and the great size of the affected areas.

ISTEA and the Clean Air Act

The Clean Air Act Amendments of 1990, together with the Intermodal Surface Transportation Efficiency Act of 1991 call for significant changes in the way we go about meeting transportation and air quality goals. Because emissions from motor vehicles contribute to air pollution, the Clean Air Act Amendments include provisions aimed at reducing vehicle emissions through a combination of cleaner vehicles, cleaner fuels and requirements for transportation programs and projects to help achieve national air quality goals.

The ISTEA complements the Clean Air Act by providing funding and giving State and local transportation officials the flexibility to use it in ways that will help us develop a balanced, environmentally sound, intermodal transportation system. In addition to the flexibility to achieve the best mix of transportation projects to meet local needs, the ISTEA sets up a new program, to help fund transportation control measures and other projects intended to help meet standards in air quality nonattainment areas. ISTEA also increases the emphasis on multimodal considerations, land use decisions and air quality problems in the transportation planning process.

The Clean Air Act Amendments (CAAA) place stringent requirements on States and local areas to develop plans that address air quality needs. The CAA Amendments strengthen earlier requirements to assure that transportation plans, programs and projects "conform" to the air quality plans. Although the issues are complex and very controversial, DOT and EPA are working together to develop a final rule implementing these provisions as quickly as possible.

The Clean Air Act also provides that EPA must start the process of imposing highway funding sanctions or other sanctions if States fail to submit air quality plans by legislated deadlines. If imposed, highway sanctions could undermine DOT's ability to fund needed transportation improvements. We are working with EPA to encourage States to meet the planning requirements and avoid sanctions.

Transportation Enhancements for Rural Areas

We are seeing that local areas are making differing uses of transportation enhancements in Region 8 which consists of North and South Dakota, Montana, Wyoming, Utah, and Colorado. Colorado has programmed \$500,000 of enhancement funds for the removal of signs along scenic byways. They are also using enhancement funds for bicycle paths.

Montana has distributed enhancement funds to cities and counties. Utah has established a process for local entities to apply for the funds and the State has committed to prioritize the projects based on local concerns. Wyoming has thus far expended most of their enhancement funds on the preservation of a railroad depot in Cheyenne. Wyoming Department of Transportation, in cooperation with a number of local entities, is modernizing the depot into a transportation museum and tourist information center.

The ISTEA transportation enhancement provisions offer rural areas an opportunity to preserve, showcase and improve upon their unique resources—be they environmental, historic, or scenic. We are beginning to learn of the variety of rural activities being funded with transportation enhancement funds. For example, here in Montana a project is being implemented to clean up the road runoff that flows into an environmentally sensitive trout stream.

Some rural areas are building bicycle facilities to promote the growing bicycle tourism industry. Others are rehabilitating historic transportation facilities, like the

Gallup, New Mexico railroad depot which will continue to serve as a railroad station but will also have a marketplace for Native American crafts. At Marble Canyon, Arizona, travelers will be able to appreciate the spectacular view from an historic bridge which has been given new life as a pedestrian bridge and overlook, while vehicles will use the new, parallel bridge. Other States are looking at the possibilities for further developing the tourism and cultural appreciation potential of historic trails, such as the Oregon Trail.

In giving authority to implement this new category of activities called transportation enhancements, the Congress has unleashed a creative energy across the Nation. We are seeing healthy new partnerships forming, and many State transportation agencies are finding that they are building tremendous good will. We look forward to updating you on our transportation enhancement accomplishments in the coming years.

Local Technical Assistance Program (LTAP)

The successful Rural Technical Assistance Program (RTAP) was expanded and continued by ISTEA as the Local Technical Assistance Program (LTAP). LTAP gives local officials access to state-of-the-art technologies to meet the growing demands on rural roads, bridges, and public transportation facilities. The LTAP has been very effective in helping over 37,000 small urban communities nationwide deal with a wide range of transportation issues and problems.

Through LTAP, new highway technologies and technical assistance have been delivered to local officials by a nationwide network of technology transfer centers. LTAP provides training and technical assistance to rural highway agencies to help meet the growing demand placed on rural roads, bridges, and public transportation. With the ISTEA, the program was expanded to include urban areas (50,000 to 1,000,000 population) and American Indian tribal governments. FHWA and the Bureau of Indian Affairs (BIA) have jointly funded the establishment of four technology transfer centers to meet the needs of Native Americans. The new centers to serve Native Americans are:

The Technology Transfer and Training (T3) for Native Americans at Colorado State University at Fort Collins which will cover Colorado, Utah, New Mexico, Arizona and eventually Kansas, Oklahoma, and Nebraska; the Northwest Tribal Rural Technical Assistance Program at Eastern Washington University in Cheney, covering Washington, Oregon, and Idaho and eventually Northern California; the Regional Indian Technology Transfer Center at Montana State University in Bozeman covering Montana, Wyoming, North Dakota, and South Dakota; and the Technology Transfer Center for American Indian Tribal Governments in the Eastern United States at Michigan Technological University in Houghton, which covers areas east of the Mississippi.

Role in Rural Transit

Let me turn now to our role in another element of transportation, rural transit. The Department's Federal Transit Administration (FTA) supports public transit in rural and small urban areas under section 18 of the Federal Transit Act. Funds are apportioned annually to the States, and are available for capital, operating and administrative expenses. Under ISTEA, funding was \$106 million in fiscal year 1992. I am pleased to tell you that the Department is requesting \$131 million for this program in fiscal year 1994.

Moreover, through use of the new ISTEA flexible funding provisions, an additional \$2 million was made available for rural transit in fiscal year 1992, although no such requests were received from western States. We do, however, expect many more requests in the current fiscal year. for rural funding from the new flexible source.

ISTEA also made a significant change regarding intercity bus service. Under the law, 10% of each State's section 18 apportionment for fiscal year 1993, and 15% each year thereafter, must be spent to support intercity bus transportation, unless the Governor certifies that intercity bus transportation needs in that State are adequately being met. Moreover, funding for intercity bus terminals is available under the ISTEA's Surface Transportation Program.

In general, rural transit is more likely than conventional city transit to use small vans to provide demand-responsive service. It is also closely linked to other human services and often is coordinated with programs supported by the Department of Health and Human Services. In' this connection, FTA's section 16 program provides funding to the States each year for special transportation services for elderly persons and persons with disabilities.

Transit riders in rural areas are more likely to be elderly, persons with disabilities or the economically disadvantaged. Especially in the sparsely populated west-

ern States, trip distances are usually very long. Typically, trips are to public services concentrated in the nearest urban area, which may be across a State line. FTA's rural and elderly and disabled programs address these needs.

To help grantees take full advantage of the rural public transportation assistance available, the FTA recently revised its Section 18 program guidance, which is now widely available in the States. Further, the agency has co-sponsored a series of eight ISTEA workshops for rural and small urban officials since January of this year. Finally, FTA funds the National Rural Transit Assistance Program, which supports State training and technical assistance on a range of rural transportation issues, and which has a national resource center. The resource center's toll-free number for technical assistance is (800) 547-8279.

Let me also point out that FTA's role in Montana and other western States is not limited to providing rural funding. The agency also each year provides funds under its section 9 formula program to all urbanized areas. In Montana, for example, in fiscal year 1992 approximately \$1.2 million has been made available under this program to Billings, Great Falls, and Missoula. In short, I think our transit program makes a significant contribution to the transportation needs of Montana and other States.

Highway Safety and Motor Carrier Safety

No discussion of ISTEA would be complete without a discussion of the safety programs ISTEA enhanced. In the Motor Carrier Safety area I am pleased that most States in this region have taken advantage of the expanded scope of the Motor Carrier Safety Assistance Program (MCSAP). FHWA, by a final rule, in September 1992 expanded the scope of MCSAP beyond the core activities of roadside inspection and carrier reviews to include new ISTEA initiatives such as training State inspectors to enforce hazardous materials requirements and traffic enforcement performed in conjunction with roadside inspections. I am happy to advise you, Mr. Chairman, that Montana has increased its motor carrier inspections from 15,691 in FY 1988 to 20,365 in FY 1992 and that Montana Highway Patrol Officers and Motor Carrier Service Officers have been trained in the motor carrier driver vehicle inspection program to complete Level 1 inspections. Also, Montana has been allocated \$483,768 in FY 1993 for MCSAP implementation.

Special highway funds targeted for elimination of safety hazards on existing highways has been continued as part of the Surface Transportation Program authorization. The Hazard Elimination and Rail-Highway Crossing programs are particularly important in rural areas, where our motor vehicle fatality rates are high. Often States cannot afford major highway reconstruction or a railroad separation structure to completely cure the problem, but the lower cost improvements under these programs have shown tremendous safety benefits. For FY 1993, Montana received \$731,916 for NHTSA's portion of the section 402 State and community highway safety program, and \$65,965 for FHWA's portion of the program. In FY 1992, Montana also received \$104,239 in section 410 alcohol safety incentive grants.

I also endorse the actions taken by Congress to encourage adoption of safety belt and motorcycle helmet use laws by the States. Motor vehicle crashes in rural areas, with their generally high speeds and narrower roadways, are much more severe than elsewhere. Safety belts and helmets may not prevent such crashes from happening, but they will substantially reduce the consequences.

NHTSA provides technical assistance to help States improve the delivery of emergency medical services (EMS) and other programs in rural areas. About 60 percent of the nation's motor vehicle deaths occur in rural areas, and poor access to emergency care in rural areas contributes to this higher fatality rate. NHTSA has facilitated 35 statewide EMS technical assessments over the past four years. These assessments bring together a team of national experts, including rural EMS experts, who evaluate a State's EMS system and prepare a report for the State's consideration.

A statewide EMS assessment performed in Montana in 1991 recommended improvements in the State's EMS data collection system and suggested ways to increase public awareness of the State's EMS system. Montana's EMS and Highway Safety Offices have responded positively to these recommendations.

The cornerstone of all EMS training, the "Emergency Medical Technician-Ambulance: National Standard Curriculum," which NHTSA developed, is now being revised to include, among other things, the needs of rural EMS providers. The revised curriculum will be completed in late 1993, and the Department of Health and Human Services's Office of Rural Health Policy has joined NHTSA in funding pilot tests of the new program. One of these tests will be conducted in Montana.

NHTSA also has supported the National Sheriffs' Association's Rural Initiative Program, which targets the improvement of traffic enforcement capabilities and in-

creased awareness of highway safety issues among sheriff agencies in rural areas. The program is underway in South Carolina, Ohio, Michigan, and Kentucky, and will be expanded to two more States this year. Over 350 sheriffs' deputies and rural county police officers have been trained to "look beyond the ticket" to criminal interdiction activities, proper use of standardized field sobriety tests, occupant protection usage and enforcement techniques, and recognition of persons driving under the influence of drugs.

The Federal Lands Highway Program

The Federal Lands Highway Program (FLHP) is dedicated to improving transportation serving Federal lands. The FLHP provides an opportunity for rural economic development as a result of transportation improvements. A significant portion of this program is used to fund rural public roads in the western States. The program consists of park roads and parkways (PRP), public lands highways (PLH) and Indian reservation roads (IRR). The FLHP is funded from the Highway Trust Fund and the FY 93 authorizations are \$83 million, \$171 million, and \$191 million respectively. Under the FY 94 budget, the FLHP program is due to receive increases over and above the originally authorized funding levels by the ISTEA. In FY 94, for example the authorization will be \$106 million, \$176 million, and \$199 million in lieu of funding that was fixed at the FY 93 levels. This represents a total increase of \$36 million in FY 94. Funding levels will increase to \$214 million, \$223 million, and \$250 million by FY 97. There are over 8,000 miles of park roads and parkways under the ownership of the National Park Service. There are over 45,000 miles of Indian reservation roads: 20,000 miles are owned by the BIA and the remaining 25,000 miles are owned by State and local governments. Most of the roads funded under PLH are owned by State and local governments. Sixty-six percent of the PLH funds are allocated for improvement of 25,000 miles of State and local roads (forest highways) serving National forests.

To implement this program under ISTEA, the FHWA in cooperation with the Forest Service, the National Park Service, the BIA and the Bureau of Land Management, participated with the Center for the New West in an April 21-23, 1992, conference titled "Transportation: The Vital Link in the New Economy". The conference focused on policy implications of the ISTEA with emphasis on rural western regional economic development through travel and tourism as well as development of other Federal land management resources.

Indian Transportation and Employment Needs

We are dedicated to recognizing and providing assistance to resolve various transportation related problems faced by Native Americans and also to recognize Indian transportation needs as a part of the transportation planning process. In keeping with that commitment, the FHWA cooperated with the BIA in a series of seminars to increase understanding of the statutory Indian preference in employment provisions for direct and Federally assisted contracts. The FHWA and NHTSA are currently cooperating with the BIA in conducting four National Tribal Leaders Transportation Conferences. Also, the FHWA is participating in the Transportation Research Board and Tribal Sponsored Conference titled "Exploring Solutions to Native American Transportation and Economic Development Problems" being held at the Flathead Indian Reservation, Polson, Montana on May 4-8, 1993. These conferences will provide an opportunity to share information on the IRR program, describe other funding opportunities provided by ISTEA, and explain how Tribal governments can participate in various programs.

Procedures have been implemented by FHWA and BIA to improve Indian Tribal government involvement in the IRR program and statewide transportation planning processes. Under the IRR program stewardship, the FHWA and BIA continue to ensure that the provisions of the "Buy Indian" Act of 1910 are followed relative to Indian contractor, Indian materials and Indian employment preferences. Also we continue to ensure that section 7(b) of the Indian Self-Determination and Education Assistance Act is followed.

On March 15, 1993, FHWA issued a Notice on "Indian Preference in Employment on Federal-aid Highway Projects on and near Indian Reservations." This notice provides guidance to State highway agencies which are currently working with Tribal representatives to establish and monitor attainment of Indian employment goals for State administered projects that are on and near reservations. The FHWA has designated an Indian Affairs Coordinator in the Washington Headquarters office to be better able to promote Indian employment and respond to these issues.

Bridges on Indian Reservation Roads

ISTEA continued the Bridge Replacement and Rehabilitation Program to provide assistance for any bridge on a public road. The program is basically unchanged from

previous years in its formula and requirements. However, its funding authorization is increased by over \$1 billion per year over the life of ISTEA, compared to prior years.

New section 1028 of ISTEA may be of particular interest to many of you. It amended the Highway Bridge Replacement and Rehabilitation Program (HBRRP) to provide for the inventory and funding of bridges on Indian reservation roads as well as access roads. Not less than 1 percent of the HBRRP funds apportioned to each State which has an Indian reservation within its boundaries shall be expended for bridges on Indian reservation roads. Those funds are transferred to the BIA to be allocated at an 80 percent Federal share.

Bridges that provide access to Indian reservations, and need replacing or rehabilitating because of their deficient conditions, are eligible for funding under this program. A memorandum of agreement has been executed between the FHWA and the BIA for activities covered by this provision of the ISTEA. The FHWA manages the inventory of bridges and related fiscal activities, as well as the annual call for projects the States may wish to have funded under this program. The BIA solicits candidate projects and selects those to be funded, attempting to have an equitable distribution of the funds to BIA owned and nonBIA owned bridges. In fiscal year's 1992 and 1993, \$9.4 million and \$14.6 million, respectively, were transferred to BIA for the program.

Intelligent Vehicle Highway Systems

The application of Intelligent Vehicle Highway Systems (IVHS) to rural areas is a program priority in ISTEA that is gaining increased attention through numerous activities.

(1) DOT Strategic Plan—Rural IVHS: DOT's IVHS Strategic Plan report to Congress pursuant to Section 6054(a) of the ISTEA includes specific goals and milestones to support the development of IVHS products and technologies that prove useful in rural America. DOT foresees substantial potential for IVHS in both small urban and rural environments for making improvements in safety, mobility, and productivity.

(2) ARTS Committee and Conferences: Recently the Advanced Rural Transportation System (ARTS) Committee of IVHS AMERICA was established to provide a focus for rural interest in IVHS. Two rural conferences were held this past year to help assess the opportunities IVHS provides to the rural travel constituency. Rural conferences were held September 23, 1992 in Redding, California and February 22, 1993 in Keystone, Colorado. Nearly 200 people attended the Keystone conference from State transportation departments, State highway patrols, county agencies, emergency medical providers, universities, federal laboratories, vehicle manufacturers, and communication and defense industries. The conference was used to share experiences about the potential for IVHS to improve traveler safety, motorists service information and highway operations in rural locations, and to encourage IVHS activities in states that are predominantly rural.

(3) Research and Development: Research is underway to examine IVHS applications to rural and small urban environments and to categories of travelers, using advanced electronic and communication technologies. It will also determine the need for information services in these areas and develop the functional requirements for providing them. The feasibility and cost effectiveness of alternative applications will be assessed.

I am happy to report that Montana State University has indicated their interest in collaborating with several other universities and the State Department of Transportation to establish a Western Transportation Institute (WTI) to enhance the development of technologies for rural transportation. We are working with Montana State University and the WTI affiliates to explore an arrangement for their involvement in the IVHS program.

(4) Ongoing Operational Tests: There are a number of ongoing IVHS operational tests which DOT is supporting partnerships in rural areas:

- Colorado is evaluating the use of Weigh-In-Motion and Variable Message Signs to inform individual trucks of safe operating speeds on a long downgrade on westbound 1-70 near the Eisenhower tunnel.
- Iowa, Minnesota and Wisconsin are evaluating the effectiveness of using the Global Positioning System and onboard computers to record commercial vehicle miles driven within a state for fuel tax allocation purposes in a manner acceptable to state auditors.
- Idaho is evaluating three different sensor systems to measure environmental conditions as they affect drivers at low visibility sites on 1-84.

There are several other ongoing operational tests evaluating a wide range of IVHS technologies and services that will enhance transportation systems in *both* urban and rural environments.

(5) A large-scale research study is underway to define the requirements for advanced driver information systems that satisfy the needs of travelers in rural and small urban areas. Rural needs are being determined through a series of focus groups with road users around the country and consultation with State highway authorities, county officials, police, EMS, vehicle manufacturers and motorist service providers. The feasibility and cost effectiveness of alternative applications, system designs, and technologies will be assessed. Engineering prototypes of the most promising design alternatives will be developed and tested. The research will be quickly followed by large-scale operational tests in a variety of rural environments.

Some of the applications being investigated include:

- Emergency call systems, activated either by the driver or by crash sensors, that would notify authorities of accidents and their location and 11Mayday" systems that provide assistance to stranded motorists.
- Automated speed and hazard warning systems based on the current road and traffic conditions.
- Systems that disseminate real-time traffic and travel information using low cost communication techniques such as AM or FM subcarriers.
- Interactive video displays in rest areas or in the vehicle that provide directions and information on the availability and location of specific services such as lodging, gas, and restaurants.
- An in-vehicle safety advisory warning system that would receive signals from transmitters installed on approaching trains. The in-vehicle receiver would be similar in size and cost to radar detectors.

(6) ENTERPRISE: A group of medium size States, through the mechanism of a pooled-fund State Planning & Research program, have formed an organization known as ENTERPRISE for the purpose of joint research, development, and implementation of IVHS technologies. The participating State DOT's are Arizona, Colorado, Iowa, Michigan, Minnesota, North Carolina and Washington. Also the Ontario Ministry of Transport has joined the organization. The ENTERPRISE group's first annual program plan is now being formulated. Several rural IVHS initiatives will likely be included in the research program since rural issues were one of the two areas of common interest to the group.

(7) National Conference for Rural IVHS: FHWA, along with ENTERPRISE, IVHS America, and the American Association of State Highway and Transportation Officials (AASHTO) sponsored a rural IVHS conference in Keystone, Colorado.

(8) Travel Aid: An operational field test of a variable speed and hazard warning system will be conducted on a 20-mile section of 1-90 across the Snoqualmie Pass in Washington State. This will be the first field operational test of IVHS in a rural environment. The system will measure the speed of traffic and environmental conditions and automatically adjust the speed limit displayed on an electronic road sign as conditions change. The system will also warn of icy roads and other hazardous conditions. An in-vehicle display of speed and hazard warning information will be tested in some 200 vehicles. The test is a cooperative effort with FHWA, NHTSA, Washington State, the University of Washington, Westinghouse, and Farradyne Systems.

Scenic Byways

Another significant program for rural States is the Scenic Byways Program. This program provides \$80 million over six years for scenic byways grants to the States for projects such as turnouts, passing lanes, overlooks, and interpretive facilities. ISTEA called for the establishment of a 17-member Scenic Byways Advisory Committee to assist the Secretary of Transportation in the development of a national scenic byways program. The committee was established on September 24, 1992. Three Western members were appointed to this committee: Dwight Bower of the Colorado Department of Transportation; David Flitner of Wyoming representing recreational users; and Homer Staves of Montana, representing the tourism industry.

The committee is to develop recommendations regarding minimum criteria and standards for use by State and Federal agencies in designating highways as scenic byways and all American roads. A report summarizing the recommendations of the Advisory Committee is expected to be issued to Congress in October.

The ISTEA established an Interim Scenic Byways program to make grants to the States for eligible projects while the national program is being developed. FHWA, during FY 1992, awarded grants totaling \$10 million to 21 States for the develop-

ment of interpretive facilities and displays, the construction and improvement of scenic overlooks, bikeways, interpretive trails, and the development of tourist information and statewide scenic byway programs. Grant applications have been received and are being reviewed for FY 1993 funding. The funding decision will be completed sometime this spring.

The State of Montana was awarded a FY 1992 grant in the amount of \$164,503 for the planning, design, and development of the State's scenic byways program. Other States in the area receiving grants were: Colorado (\$627,590), Idaho (\$221,200), South Dakota (\$107,520), Utah (\$590,109), and Wyoming (\$65,000). These projects range from development of scenic byways management plans to construction of interpretive kiosk and trailhead facilities.

As in FY 1992, a total of \$10 million is available this year for grants. For FY 1993, all of the above six States submitted scenic byways grant applications totalling \$5.6 million. This compares with grant applications nationwide amounting to \$23 million. Decisions on these should be made by early May. The proposed projects include construction of turnouts, vista points, and an orientation center, development of a corridor management plan, and interpretive wayside exhibits.

National Recreational Trails Funding Program

Another ISTEA program that is significant for rural Western States is the National Recreational Trails Funding Program. ISTEA included the Symms National Recreational Trails Act of 1991, named for Senator Symms of Idaho. Congress did not provide contract authority for this program, therefore it is subject to annual appropriations by the Congress. Congress did not appropriate any funds in FY 1992, but it provided \$7,500,000 in FY 1993 out of FHWA administrative funds. The Administration is proposing funding of \$15 million for FY 1994.

Future funds for this program will come from revenue already received into the Federal Highway Trust Fund from fuel used for off-road recreational purposes by snowmobiles, off-road motorcycles, ATVs, and other off-road motor vehicle use. Funds from this program can be used to construct and maintain recreational trails on public and private land for both motorized and non-motorized use.

Montana received a relatively large funding share because of its extensive snowmobile use.

Following is a list of recipients in this area of the trails funds in FY 1993:

Nearby States

Colorado	\$122,022	North Dakota	\$ 89,851
Idaho	\$100,504	South Dakota	\$ 88,655
Utah	\$108,352	Washington	-\$125,149
Wyoming	-\$ 91,291	Montana	\$129,036
Nevada	\$ 83,224	Oregon	\$109,080

This program has opened a new working relationship between DOT, the Department of the Interior, the Department of Agriculture, State resource and park agencies, and grass-roots trails advocates. The FHWA has been working with the National Park Service, Bureau of Land Management, and the U.S. Forest Service to develop this program. In addition, the FHWA participated in the National Trails Symposium held last September in Missoula. The Symposium attracted several hundred trails and transportation planners who discussed the benefits of joint transportation and recreation initiatives, including opportunities for funding under ISTEA.

The Symms Act also established the National Recreational Trails Advisory Committee with representatives from various trail user groups. The Chair of this Committee is Stuart Macdonald, the State Trails Coordinator for Colorado State Parks. In Montana, this program is administered by Bob Walker, the Trails Program Coordinator for the Montana Department of Fish, Wildlife, and Parks.

Conclusion

Today is an opportunity for all of us to take another step forward in implementing one of the most significant transportation acts since the creation of the Interstate System. DOT wants your assistance in making the legislation work. I look forward to the exchange today with Senator Baucus, Senator Kempthorne and the wide range of transportation officials and constituencies invited here today. I see the enormous task of carefully overseeing the utilization of over \$150 billion in six years as a huge challenge not only for the Department and the Congress, but also for each of you here today. We welcome your views.

JOINT STATEMENT OF THE TRANSPORTATION DEPARTMENTS OF MONTANA, NORTH DAKOTA, SOUTH DAKOTA, WYOMING, IDAHO

Mr. Chairman, Senator Kempthorne and Secretary Peña, I am Marvin Dye, Director of the Montana Department of Transportation. This is a joint presentation, by myself, Richard L. Howard, Secretary of Transportation of South Dakota, and Marshall Moore, Commissioner of the North Dakota Department of Transportation. The Wyoming Department of Transportation, while unable to be here today, has authorized us to say that they fully concur in our statement. I would also like to thank the Idaho Department of Transportation (ITD) for the support they are giving to our joint testimony. For our part, the four States are in broad agreement with the positions taken in Idaho's testimony.

I want to thank you for providing Montana and our neighbor States this opportunity to explain our views on transportation matters that are currently being considered by the Federal Government. We know, Mr. Chairman, that you and the other Senators and Congressmen from our Region understand that it is in the national interest for the Federal Government to invest in transportation assets in this part of the country. You fought hard and successfully to ensure that present laws treat this Region fairly. We know that you will continue those efforts. But, sometimes we are not sure that others in Washington, D.C. understand our needs. So, it is very encouraging to us that U.S. Transportation Secretary Peña has accepted your invitation to be here and learn more about transportation issues that affect this Region. On behalf of Governor Racicot, I welcome the Secretary to Montana.

As you know, Mr. Chairman, Secretary Peña has already made statements demonstrating an understanding that our nation must have a balanced transportation program which invests in rural as well as urban areas, including a statement in support of maintaining current, balanced highway apportionment formulas. And, we commend the Secretary for his early recognition of the importance of transportation investment in rural States. We look forward to working with him.

Brief Summary of Presentation

Mr. Chairman, you have asked us to explain our major concerns with the implementation of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). We will address three broad areas.

First, I will explain our support for full funding of the programs authorized by ISTEA. This is particularly important to us, Mr. Chairman, because when ISTEA is not fully funded, rural States like Montana suffer disproportionately large cuts in highway funds. As part of that discussion I will also explain why we recommend that all of the 2 1/2 cents per gallon of motor fuel taxes currently being sent to the General Fund of the Treasury should be redirected, as soon as possible, to the Highway Account of the Highway Trust Fund.

Second, Dick Howard of South Dakota will present our four state proposal for roads to be designated as part of the National Highway System (NHS). Before Secretary Peña took office, the Federal Highway Administration (FHWA) - developed a draft NHS map which is woefully inadequate in our Region. Dick will explain why the FHWA and the Secretary should modify the draft map to include our four state proposal.

Lastly, Marshall Moore of North Dakota and Ray Mickelson of Idaho will address some regulatory issues, many of which are also raised in Idaho's fine testimony. As you know, ISTEA imposes a number of major new requirements on States. We are concerned that, if improperly implemented, some of these requirements could cause needless hardship for States like ours.

I. Full Funding of ISTEA

Mr. Chairman, full funding of ISTEA is important to Montana and its neighbor States for many reasons, but two are of particular concern today.

First, we have very significant transportation needs. Even with full funding of ISTEA, we will not be able to undertake all of the transportation projects which we have identified. In fact, transportation is so important to a state like Montana that Governor Racicot and the Department are currently working with the State Legislature to advance a fuel tax increase in order to match all Federal dollars and address the transportation needs unmet by ISTEA. ISTEA funding clearly remains one of the most important tools in helping us meet transportation, economic development, highway safety, and other important needs of our state.

Therefore, we thank you Mr. Chairman, and the Secretary, for supporting full funding of ISTEA. And, let me add that the five States testifying today are ready

and anxious to put full ISTEA funding to work in projects that are ready to go to contract within a 90-day window. Our States heartily support the increased funding for transportation now being proposed in the Administration's Economic Stimulus Package. We want you to know that we can and will put that transportation funding to productive use.

Second, we strongly support full funding of ISTEA because, due to technical aspects of the law, when it is not fully funded, our States lose more than the "average" state in highway funds. So, while all States lose when ISTEA is not fully funded, some States, including our five States, lose even more. Let me explain.

In the case of Montana, South Dakota, North Dakota, Wyoming and Idaho, the lion's share of our ISTEA funding comes through the Act's highway apportionment formulas. If highway program obligation limitations are imposed, or if the projected revenue stream is inadequate to fully fund the program due to overall budget pressures, the actual funds available to our transportation programs are reduced from the level of apportionments.

If all States received the same relative proportion of ISTEA funding through the apportionment formulas, then reduced obligation limitations would impact all States proportionately. Mr. Chairman, Secretary Peña, this is not the case. The pain is not proportionately shared when obligation limits are imposed. Other States get a much higher percentage of their funding from provisions of ISTEA other than apportionment formulas. Those other areas of the Act, such as demonstration projects and minimum allocations, are exempt from obligation ceilings. Our States receive relatively little funding from these categories of ISTEA and are therefore disproportionately hurt by anything less than full funding of the Act. This is another important reason why we commend you, Mr. Chairman, and the Secretary, for working to fully fund ISTEA.

2.5 cents per Gallon to the Highway Account is Needed

In order to sustain full funding of ISTEA and maintain its urban/rural balance, we strongly support re-allocating the entire 2.5 cents per gallon of motor fuel tax that is currently being used for General Fund purposes to the Highway Account of the Highway Trust Fund as soon as possible, preferably well before Fiscal Year 1996.

Let me make our position clear, that by advocating return of the full 2.5 cents to the Highway Account rather than an 80/20 split of those funds between the Highway and Transit Accounts, we are not advocating highway projects over transit projects. Rather, we are advocating equitable, sustainable funding for the transportation programs of the vast majority of the States.

There are three main reasons why the entire 2.5 cents should be returned to the Highway Account:

- (1) if we fully fund ISTEA, the Highway Account will reach a zero balance very soon, the Transit Account will not;
- (2) the Highway Account, with its great flexibility, is now supporting sizable transit investments, thereby reducing any need to increase the Transit Account in order to finance transit projects; and
- (3) the Highway Account is the most equitable account, as it supports the highway program, which distributes funds widely to all States; on the other hand, the Transit Account supports a transit program which directs most of its funds to a handful of large urban areas.

First, let's consider the need to sustain the Highway Account, which will rapidly go broke with full funding of ISTEA unless something is done. The Administration has now proposed that the 2.5 cents of the fuel taxes presently used for General Fund purposes be rededicated to the Highway Trust Fund in Fiscal Year 1996, and that these funds be split between the Highway and Transit Accounts at 2.0 and .5 cents, respectively.

We believe that this reservation of .5 cent for transit will contribute to serious underfunding of the Highway Account and expand a Transit Account balance that is already adequate to fund transit projects at the level visualized by President Clinton. We may not have the latest numbers, but the Transit Account is projected to maintain roughly a \$9-10 billion positive balance into the foreseeable future. That balance is nearly twice the annual Transit program level.

On the other hand, the Highway Account balance today is less than one-half the size of the annual program and will shrink rapidly to zero or less if ISTEA is fully funded. As pointed out by the General Accounting Office (GAO) in its March 31, 1993 testimony to the Senate Appropriations Committee, under present law Highway Account revenues are expected to fall \$12.5 billion short of ISTEA's funding

commitment to the States over the life of the Act. GAO has estimated that, if ALL of the 2.5 cents were rededicated to the Highway Account in Fiscal Year 1996, the account would have a balance of \$1.8 billion at the end of ISTEA. That is a no-margin-for-error amount. Even this estimate may well be too optimistic, as it doesn't take into account the likelihood of depressed fuel tax revenues resulting from the Administration's BTU tax proposals.

While we are not here today to discuss the general merits of the BTU tax, we do want to point out that we think it would exacerbate the Highway Account shortfall in two ways. First, by raising gasoline prices, it will depress demand to some degree, thereby reducing revenues to the Highway Trust Fund. Second, the proposal would exempt alternative fuels from the BTU tax. These fuels already enjoy a substantial exemption from the fuel tax that supports the Highway Trust Fund. So, the new proposal would encourage the use of alternative fuels and accelerate the extent to which fuels consumed do not pay into the Highway Trust Fund.

The resulting reduction in Trust Fund Revenues would hurt both the Highway and Transit Accounts. But, the Highway Account has no margin for error to absorb this reduction; the Transit Account does. Further, the transit program, unlike the highway program, also receives money from the General Fund, making it less necessary to add to the Transit Account balance. So, the full 2.5 cents is sorely needed in the Highway Account as soon as possible. Only 2.0 cents, starting in Fiscal Year 1996, is not enough.

As the GAO points out, if something is not done to increase Highway Account Revenues, the FHWA will be required to cut State highway apportionments by \$4 billion in each of Fiscal Years 1995 through 1997. And, these apportionment reductions will also disproportionately hurt rural States. Further, as the formula for distribution of transit funds provides relatively little to rural States, underfunding the Highway Account can seriously threaten the overall rural/urban funding balance envisioned by the Act.

Second, the flexibility provisions of ISTEA also argue for placing the entire 2.5 cents into the Highway Account. Under ISTEA, States may use highway program funds for transit projects. In a March 31, 1993 statement to the Senate Appropriations Committee, the American Association of State Highway and Transportation Officials (AASHTO) pointed out that, as of February 28, 1993, \$436 million has been spent under ISTEA on transit projects with highway program funds. AASHTO added that there have been no instances where transit funds have been transferred to highway projects and that no transit to highway transfers are expected.

In short, while in some circles it's popular to criticize the highway program as being too rigid, in reality the new highway program under ISTEA is a modern transportation program that gives States the flexibility to pick and choose between modes and supports transit as well as highway projects. By contrast, the transit program is essentially entirely earmarked for transit projects, regardless of the relative merit of highway and transit projects.

Third, if the entire 2.5 cents is directed to the Highway Account, that revenue will ultimately be distributed more evenly and fairly among all States, rather than to the handful of beneficiary urban areas that receive the lion's share of the transit funds.

Mr. Chairman, a look at recent highway and transit distribution tables makes clear that while every State receives significant highway funding, the majority of transit funds are distributed to a handful of metropolitan areas. While each State gets at least a minimum allocation of 90 percent of contributions in the highway program, that is not the case for the transit program. So, dedicating funding to the Highway Account leads to a fairer, more even distribution of Highway Trust Fund revenues among the States.

For example, while Montana receives approximately 1 cent of every dollar in the Highway Account, it receives only about six hundredths of a cent of every dollar in the Transit Account. From our perspective, there's a funding difference of almost 2000 percent based on which account a trust fund dollar is attributed to. So, if one builds up the Transit Account, one could be setting the stage for increasing the size of the transit program compared to the highway program. The effect of that would be a back-door formula change, shifting the distribution of the overall Highway Trust Fund revenue to a very narrow group of beneficiaries and away from most States, and our Region in particular.

Before closing, we also note that it's been suggested that the problem of the balance in the Highway Account can be solved by amending the so-called Byrd Amendment to take into account revenues from three years into the future, rather than two as under present law. However, this approach is just bookkeeping. It does not

really address the continuing trend toward a negative balance in the Highway Account and the difficulties that poses for States like Montana.

Therefore, Mr. Chairman, we recommend that the Congress act promptly to ensure sustainable Highway Program funding at ISTEA levels by redirecting the 2.5 cents per gallon of motor fuel tax which is currently being sent to the General Fund of the Treasury to the Highway Account of the Highway Trust Fund at the earliest possible time.

II. National Highway System Designation

Mr. Chairman, I am Dick Howard, Secretary of the South Dakota Department of Transportation. In this part of our joint statement, I will present our four State proposal for the National Highway System (NHS). We are asking for an increase in NHS designated miles in our States over those called for in the Federal Highway Administration's (FHWA) draft NHS map, sometimes called the "Illustrative System."

Summary of Statement

The principal reasons why we are asking for these additional designations are:

1. They are needed to reflect the national significance of many of our highways which are of vital national importance for the movement of agricultural products, natural resources and other products to national and international markets while serving as corridors for national and international trade and tourism;
2. They will help ensure connectivity between urban and rural areas throughout the nation;
3. They will ensure that the NHS in our 4-State Region serves Indian Reservations, airports, unit trains, national recreation areas, population centers and border crossings, some of which are not adequately served by the draft map;
4. Under the law, adding these designations will not cost the Federal Government any additional money; and,
5. The law gives USDOT ample flexibility to add the miles we have requested. The draft map contains only 149,888 miles while the law allows USDOT to designate up to 178,250 miles.

Establishing an NHS which interconnects all significant areas within our 4-States requires an additional 3,513 NHS miles, an addition which is vital to our Region's economic viability and productivity. It will further national productivity as well. USDOT not only has the authority to designate this additional mileage; it can do so without additional cost.

Let me explain these points.

Acceptance of NHS Concept

Everyone agrees that transportation is the foundation of a viable, expanding economy and that transportation is an essential ingredient to increasing the productivity required to successfully compete in the global marketplace. There is widespread agreement that the foundation of such a transportation system is based upon a network of highways that not only interconnects every region of the country, but that provides access from every part of the nation to this system.

Recognition and agreement to this conclusion has no better substantiation than the enactment of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) which calls for:

... a National Highway System which consists of the National System of Interstate and Defense Highways and those principal arterial roads which are essential for interstate and regional commerce and travel, national defense, intermodal transfer facilities, and international commerce and border crossings.

The designation of such a National Highway System (NHS) has become somewhat controversial because an artificial mileage limitation is, to some extent, in conflict with the purpose of the NHS.

FHWA's NHS Based Upon Usage

The first attempt to map the NHS took for as the FHWA's "Illustrative System." It totals roughly 150,000 miles and represents 4 percent of the nation's nearly 3.9 million miles of public roads and highways. The FHWA's criteria for selecting qualifying NHS routes, and for establishing State mileage targets, was strongly influenced by traffic volume, or use. This "Illustrative System" leads us to conclude that

the more highly traveled a road is, the more nationally significant that road must be. We do not agree with such a precept for designating NHS routes because it imposes mileage limitations that preclude route access to vast areas of the nation.

This is a particular problem for our Region, causing us to request modifications to the FHWA's draft map. Fortunately, the law is very clear that significant modifications from that map are allowed. In particular, ISTEA established the existing 186,000 mile Principal Arterial System as the Interim NHS until Congress designates an NHS to include 155,000 miles, plus or minus 15 percent. With the added 15 percent, the NHS could be 178,240 miles. The law does not indicate that any one State is limited to the plus or minus 15 percent, only that the total System is so limited. Thus, a densely populated state, having a few corridors with a high traffic volume, may have need for much less mileage; while a sparsely populated rural state may need more miles to ensure connectivity.

"Interim NHS" Based Upon Function

By designating the Principal Arterial System as the Interim NHS, Congress correctly recognized that just considering a high volume of usage, or even congestion, does not necessarily indicate nationally significant highways any more than low traffic levels necessarily indicate an absence of national significance. Congress understood that for the NHS to receive broad public support, it must serve the transportation needs of all areas of the country.

We believe that Congress, by designating the 186,000 mile Principal Arterial System as the Interim NHS, sent a powerful signal to USDOT that the final NHS needs to be modified from the draft map. In particular, we think that by designating the Principal Arterials as the Interim NHS, Congress did two things:

- (1) It directed USDOT to give weight to the existing Principal Arterial System, which has been defined over time through an accepted practice of functional classification; and,
- (2) In relation to the nation's total public road miles, there is only eight-tenths of one percent difference between the miles on the Interim NHS, made up of the Principal Arterial System, and the FHWA's Illustrative System. (The nearly 186,000 mile Interim NHS represents 4.8% of the nation's total public roads while the 150,000 mile Illustrative System represents 4% of the nation's total public road mileage.) Thus the Interim NHS still effectively maintains an objective of giving focus in the program to the nation's most vital, nationally significant highways.

Appropriate Standards—Multi versus 2-Lane Highways

In addition to the problem of defining how the NHS routes would be selected, there is also the potential problem of requiring inappropriate standards for a NHS. For example, urban areas define their nationally significant NHS mileage as multi-laned, high traffic volume, controlled access highways because those kinds of roads are certainly the most important to these densely populated areas. However, in rural areas, nationally significant highways can be properly designed 2-lane highways. The fact that rural areas, with lower volumes of traffic, only require 2-lane highways doesn't mean that these 2-lane highways are not important to the nation or that they don't serve purposes beyond local traffic. Many of the roads in our States are carrying traffic that is of vital national interest; therefore, we think it is essential to recognize that NHS mileage should not be limited to multi-laned, controlled access highways.

In deciding NHS designations, USDOT must also consider whether roads provide route access for—and to—all parts of the nation. This should serve as the primary consideration in establishing an efficient system to move people and goods. Ensuring route access for all, not considering just where the traffic level is highest, is necessary to provide an equitable, balanced system for moving people and nationally significant commodities such as agricultural products, timber, and other natural resources from producing areas to national and international markets as well as return manufactured products to rural areas.

It is also important to keep in mind that such nationally significant 2-lane, rural roads are far less costly than multi-laned highways in more densely populated areas, both in terms of right-of-way acquisition, as well as construction or reconstruction. In addition, ISTEA "decoupled" funding formulas from mileage so that a State's NHS apportionment is not tied to its NHS miles. Adding miles to the NHS in our 4-State Region will not cost the Federal Government any money; nor does it mean our States are requesting more Federal funds for the NHS. It simply provides

a balanced, equitable recognition of the national interest in our Region of the country.

Large Areas within 4-States Unserved by "Illustrative" NHS

These problems of designation and definition of a nationally significant system of highways has prompted our four Western States to jointly develop, in close consultation with our neighboring States, the MPOs, Federal agencies, and Indian Tribes, an NHS proposal that would effectively serve regional and interstate travel as well as economic development. This Regional NHS is a result of the recommendations, participation and support of those several interests and serves, we think, the spirit and intent of ISTEA which calls for a broader public input into the transportation planning process. But first, let us explain how the "Illustrative System" fails to interconnect large areas within our States.

Consider Chart 1, entitled "LAND AREA COMPARISON," showing our four States as a 392,672 square mile area—an area comparable in size to the 16 Northeastern States stretching from Maine through Virginia and west and north through Michigan. Then consider the FHWA "Illustrative System" in Chart 2, entitled "COMPARISON OF 4-STATE REGION TO 16-STATE NE REGION & TEXAS," which gives these 16 Northeastern States nearly 35,000 NHS miles while we four Western States are provided just over 9,000 miles. In another light, see Chart 3, entitled "COMPARISON OF LAND AREA & ILLUSTRATIVE SYSTEM MILES," which contrasts area versus NHS mileage of the different Regions.

Thus, as illustrated in Chart 4, entitled "VAST AREA WITHOUT NHS ACCESS," our Region has many unserved areas as large as the whole of many Northeastern States. Another way of portraying how the "Illustrative System" leaves many of our areas unserved by the National Highway System is a comparison of a State's area with its NHS mileage. As seen in Chart 5, entitled "COMPARISON OF NHS SERVICE AREAS (NHS MILES/SQUARE MILES)," our four States fall under the national average; and in Chart 6, entitled "SQUARE MILES SERVED BY NHS (SQUARE MILES/NHS MILES)," all four States are above the national average for the square mile area served by a mile of NHS. For example, every 4.2 square mile area in New Jersey is served by an NHS road compared to the national average of a 23.6 square mile area served by an NHS road. However, in our 4 States the square mile area ranges from 31.6 square miles to 49 square miles per NHS mile.

Furthermore, as you can see in Chart 7, entitled "FHWA 'ILLUSTRATIVE' SYSTEM," while FHWA's NHS mileage would serve all of the Metropolitan Planning Organizations (MPOs) in the four States, though sometimes through less than direct routes, several Indian Reservations would be missed or would be a significant distance from an NHS route. Our 4-State Region includes 20 Indian Reservations with headquarters in the following States:

- Montana 7
- Wyoming 1
- North Dakota 4
- South Dakota 8

4-States' Proposed NHS Connects

Indian Reservations & Intermodal Terminals

Chart 8, entitled "4-STATE REGIONAL NHS," illustrates the locations of these 20 Reservations, and shows how the additional NHS mileage interconnects the large land areas of Indian Country as contrasted by Chart 7 and the FHWA "ILLUSTRATIVE SYSTEM," which does not serve all of the Reservations sufficiently.

The areas excluded from the "FHWA Illustrative System" in our four States also include population, economic activity, and intermodal connections which should be served by the NHS. Those areas contribute food, fiber and resources vital to the nation's international trade and balance of payments. To name a few - we are a major energy area with both oil and the nation's leading coal fields, our agriculture produces grains that feed the world, and of course our National Parks, public lands, recreation areas and tourist attractions which host an ever-growing service industry for the nation and world.

Chart 8, entitled "4-STATE REGIONAL NHS," shows that the 4-State Regional NHS provides essential connections to major intermodal terminals, major airports, military installations, major river ports, and major international border crossings which are not included on the "FHWA 'Illustrative' System".

Our Region also supports the growing trade between the US and Canada, as shown on Chart 9, entitled "TOTAL TRADE VOLUME WESTERN U.S.—CANADA TRADE

CORRIDORS," yet there are existing and emerging north-south trade corridors throughout the 4-State Region that have been excluded from the "Illustrative System."

Moreover, while we understand the differences of population density and the resulting economic activity between the 16 Northeastern States and our 4 Western States, we do not believe it is appropriate for such large land areas to receive such limited NHS mileage mostly on the basis of traffic volume.

Economic Viability Requires NHS Access

Serving not just the States in which they are located, our nationally significant highways serve a host of interests for our 4-State Region and the nation beyond. Whether moving goods or people, highways in our Region are the primary link to the intermodal transportation chain. It is highways that first connect us to unit train facilities and finally to ports to ship our commodities to the world; and, it is ultimately the highways which deliver goods and people back into our communities and recreation areas. Highways accessing airports and Amtrak terminals provide both our citizens and our visitors the final connection to and from this nation's intermodal transportation network.

Highways in our area allow manufactured and raw products, tourists, business people, moving vans and our nation's military to travel efficiently throughout the country. This is why we have worked together to develop this proposed NHS which not only interconnects our Region to the nation and world, but also serves as vital bridges between distant metropolitan areas across the nation.

Because much of the land area in our States is owned by the Federal Government and much of our privately held land is devoted to large farms and ranches, there are vast areas of our States which do not require a large number of access points and public road mileage. Consequently, these less densely populated areas have a smaller than average percentage of lower functional class (local, collector, and minor arterial) roads and conversely a larger percentage of Principal Arterials in relation to our total public roads. However, we need that larger percentage of Principal Arterials to interconnect our vast areas with the rest of the nation. And that is why a concept that limits NHS miles to the Principal Arterial highways, which are also limited to a percentage of total public road mileage, is unduly restrictive to rural, less densely populated States. This results in a system of highways not truly representing the best national interest.

Compare how the "Illustrative System" does not effectively interconnect our Region as does our "Proposed System". See Chart 7, entitled "FHWA ILLUSTRATIVE SYSTEM", and Chart 8, entitled "4-STATE REGIONAL NHS." Our proposed system would provide 3,513 additional miles to be NHS mileage on FHWA's "Illustrative System." That total of 12,000 plus miles would still be only one-third of the 16 Northeastern States NHS mileage even though these have roughly comparable land areas. (See Chart 2, entitled "COMPARISON OF 4-STATE REGION TO 16-STATE NE REGION AND TEXAS). We are not asking for the same NHS mileage as the equally sized Northeast—we are modestly asking for one-third as much rather than "Illustrative System's" one-fourth as much!

In summary, Montana, Wyoming and the Dakotas understand the severe problems of congestion and mobility that face our urban friends. But we ask that our urban neighbors also recognize the critical national needs for rural access and connectivity. We must connect rural America to the rest of the nation and the world. Let us work together, not to solve the problems of one section of the country at the expense of another, but to apply a balance and equity which recognizes the need to address both the problem of congestion and the problem of connectivity for the benefit of all.

So, we think there is:

- (1) A compelling case for USDOT to add the mileage to the NHS needed to recognize our interests. We further see no reason why it should not be done, since adding the miles does not have a cost impact to the Treasury and since the statute allows USDOT over 28,000 miles to be added to the NHS beyond the "Illustrative System" (178,250 miles versus 149,888 miles); and,
- (2) In addition to defining NHS routes, consideration must also be given to the appropriateness of uniform standards recognizing that 2-lane highways can be as nationally significant as multi-laned, controlled access highways.

For all the reasons which we have discussed, we ask USDOT to grant our request, and we ask for your support, Mr. Chairman, in ensuring that the Department has a thorough understanding of our NHS proposal.

III. Management Systems & Regulations

Mr. Chairman, I am Marshall Moore, Commissioner of the North Dakota Department of Transportation. In this part of our joint statement, I will discuss some concerns which our five States have with various requirements.

Summary of Statement

Our primary concerns are:

1. The management systems required by ISTEA are major, new requirements for States; implementing them places a significant burden upon the States' time, effort and resources. It should be noted that they also place an increased burden upon local governments which do not have the resources to implement the systems, and will therefore look to the States to do it for them. Consequently, the key to the successful, cost-effective implementation of these systems is flexibility. FHWA's final rules must provide each State the flexibility to develop a program for each—system which is consistent with its unique conditions.

For example, North Dakota does not really need a congestion management plan at all, much less one like New York's or California's. The rules need to reflect that.

2. The Environmental Protection Agency (EPA) has recently proposed rules regarding transportation projects and conformity with the Clean Air Act. We do not have major problems with the rules as proposed. However, we very strongly disagree with the position now being advanced by some that the conformity rule's complex planning and project approval requirements be extended to non-Federal projects and to Federal-aid projects in "attainment" areas. That would be regulatory overkill and we would hope Secretary Peña would carry that message to the Administration.

3. ISTEA mandates that a certain percentage of recycled rubber must be used within each State's asphalt pavement. Although we understand the motivation driving this requirement, we are not convinced that this solution is the most cost effective for our States. Also It may be inconsistent with the planning and management systems requirements dealing with life-cycle cost comparisons and evaluations.

At a minimum, we suggest further study as well as clarification of subsection (7), Individual State Reduction, which apparently permits reduction of the State requirement if the State disposes of tires in environmentally safe manners such as retreading or energy recovery. Another potential option is for the USDOT Secretary to delay implementation of this requirement until the necessary research is completed.

4. If the USDOT is going to require use of the metric system in ISTEA programs, the Federal Government should take a greater leadership role in (1) covering the conversion costs for project design and traffic sign modification, and (2) providing a highly visible public education program. However, knowing that funds are not readily available for these purposes, we believe USDOT should delay the 1996 starting date for use of the metric system in the highway program.

5. We feel that the Federal Government should not have included in ISTEA the imposition of sanctions on States which do not pass laws mandating seat belt and helmet use. That was, in our view, too much of an infringement of State prerogatives. Thus, we are very pleased, Mr. Chairman, that you and Senator Kempthorne, as well as Senators Burns, Conrad, Dorgan, Simpson, Wallop, and others are co-sponsoring S. 295, which would eliminate those sanctions but continue to provide an incentive for States to pass these laws. We hope that this legislation can be enacted promptly.

The balance of our testimony explains these points in greater detail.

Management Systems

Section 1034 of ISTEA requires each State to develop and implement the following management systems by January 1, 1995.

- Pavement
- Bridge
- Highway Safety
- Congestion
- Public Transportation Facilities & Equipment
- Intermodal Transportation Facilities & Systems

- Traffic Monitoring

If these systems are not in place, the Secretary of Transportation may withhold up to 10 percent of that State's transportation funds each year.

These management systems may drastically change a previous, very successful Federal-State relationship. The regulations have the potential to take us far beyond a program of Federal-aid for State "owned and managed" highways to a Federally managed transportation system in which the State plays an implementing role guided by regulations. In addition, these Federal regulations go well beyond the traditional State highway systems into many roads under local jurisdictions.

Flexibility Important to Management Systems

While the FHWA is making a concerted effort to remove itself from involvement on projects on non-NHS highways, the management systems appear to thrust it further into State and local transportation management. The key to final implementation of these management systems is flexibility - a word used throughout ISTEA. Allowing each State to develop its own unique management systems, based on demographics, geographic needs, magnitude of existing transportation systems. State laws, and other factors, is paramount to achieving management processes that will meet each State's needs.

The need for pavement and bridge management systems for State highways has long been recognized by the States and, in fact, the States have been developing these systems for better than ten years. We have been implementing them as rapidly as they are developing and as our resources would allow.

The Pavement Management System (PMS) requirement of ISTEA is an extension of a previously required pavement management system. The difference is that it requires a pavement management system for all Federal-aid routes as opposed to the Interstate system and principal arterials. This increases the roads to be covered by a pavement management system three-or-fourfold in some cases. It requires additional manpower that is simply not available at the State level. It also forces requirements upon local entities, through the State, many of which are ill-equipped to respond. Many of these local entities have small Federal-aid systems and the need for a pavement management system simply does not exist. Requiring a PMS for a local entity creates an administrative burden rather than a planning tool.

The safety management system called for in the legislation applies to all public roads. It would appear to require all accident records and related roadway data to be assembled in a common data base, analyzed, and prioritized to determine where to make safety improvements. Conceptually, this process sounds good. Practically without enormous effort, devising such a system is not possible in States with lower traffic volumes and limited accidents.

Wyoming, for example, experiences few instances where accidents on rural roads are so concentrated that a roadway safety problem can be determined. Our experience indicates that most accidents on our rural, non-State roads are the result of factors not associated with the roadway. These may be alcohol, driving too fast for conditions, drowsiness, etc. Again, and in the same vein as the need for PMS, the States have recognized for many years the need for safety management on their systems. The need on the local system is not nearly so apparent. In fact, we believe a local safety management system, like a local PMS, would create an administrative burden offering little or no practical use.

Two other management systems that were last-minute additions to the ISTEA legislation were those of public transportation facilities and equipment and intermodal transportation facilities and systems. These two systems, by their very title and nature, should illustrate the large difference in rural and urban areas in our country. It is difficult to believe that any of our States truly needs a management system in these two areas. Even those that may believe management systems in these two areas are required, need to recognize that there are enormous differences between States, and there should be enormous differences in management system requirements.

Balanced Federal Role

In summary, the following steps would greatly aid the implementation of the required management systems, realistically balance the Federal role, and truly make the flexibility provisions of ISTEA applicable to the management systems:

1. Require the management systems only on those routes of interest to the Federal government—the National Highway System.

2. Allow a large degree of flexibility in management system requirements for each State depending upon the character of the State involved. Such flexibility has not been in evidence in the proposed rules now being circulated. The rules regulating the States need to be more flexible and the local FHWA and Federal Transit Administration (FTA) Administrators also need to be provided much more latitude than they have traditionally been given to work with individual States.
3. Relax the time frames for completing the management systems to partially mitigate the necessary staffing requirements during these times when most States are reducing the number of full-time employees.
4. Minimize the volume of data collection or eliminate irrelevant types of data that will not be critically used. There is no reason to collect information that does not provide a significant impact on the decision-making process.

Section 1034 of the ISTEA also requires the establishment of a traffic monitoring system for highways and public transportation facilities and equipment. We can only further emphasize, don't collect data for data's sake, but only collect that information that has a meaningful relationship to the decision-making process. Data collected for intermodal purposes in urban areas should not be even required in rural areas, no matter how small the data base will be.

There is a very unclear picture and little direction given to the inter-relationship of the management systems to a Transportation Improvement Program (TIP). There are other factors to be considered along with the suggested management systems, such as geometrics of the existing road, economic development, and truck traffic to name a few, that influence a TIP. Any TIP needs to take all the elements into consideration.

Common Sense Approach to Clean Air Rules

The full impact of the traffic congestion management system and its relationship, along with transportation in general, to the Clean Air Act Amendment will not be clear until final rules are promulgated. From the perspective of rural States, one point needs to be made - any regulation requiring a determination of conformity for rural and urbanized areas in attainment areas will require expending a considerable amount of additional resources on the part of the State DOT, air quality divisions, and local officials for nonproductive purposes. Where States have no areas of non-attainment, or non-attainment areas are very limited, and the potential for increased congestion is virtually zero, it is counterproductive to go through an exercise on air quality conformity in the planning process, or on an individual project basis. Those areas in attainment should not be required to go through a determination of conformity.

Statewide Planning

Section 1025 of ISTEA requires each State to develop a Statewide transportation plan by January 1, 1995. Such plans and programs shall provide for the development of transportation facilities which will function as an intermodal State transportation system. The ISTEA further elaborates a minimum of 23 considerations which must be addressed during the formulation of the plan. These required "considerations" make the transportation planning process much more comprehensive and complex. They also bring many more players with diverse agendas to the table. Many of these "considerations" may very well help to develop a more meaningful transportation planning process; but, it also means, as priorities are sorted out and fit to available funding, that there will be more disappointments due to unfulfilled dreams and aspirations. It is important that each State develop its plan, both in scope and in detail, to fit its individual needs.

Congress should review the expanded role which it has created for transportation and determine if all of these 23 "considerations" prove to be effective investments. A cursory review indicates that some "considerations" have very limited application in rural States and should be treated in that light during the planning process.

The fact that the FHWA, FTA, Federal Aviation Administration (FAA), and National Highway Traffic Safety Administration (NHTSA), all have different planning, funding and project selection schedules makes it extremely difficult to coordinate planning and funding activities. Developing a truly intermodal transportation program will be nearly impossible unless the agencies which control the various modes are working on the same schedule. The USDOT should take the necessary action to ensure that all agencies within the Department are on the same planning and funding schedules.

Use of Recycled Rubber

Section 1038 of the Intermodal Surface Transportation Efficiency Act (ISTEA) requires that each State begin to use recycled tire rubber (crumb rubber material) in a portion of its highway construction beginning in 1994. ISTEA requires that, beginning on January 1, 1995 and annually thereafter, each State shall certify to the Secretary of Transportation that it has satisfied the minimum use requirement for asphalt pavement containing recycled rubber.

The minimum use requirement for asphalt pavement containing recycled rubber as a percentage of the total tons of asphalt laid in each State, that is financed with Federal-aid shall be:

- (A) 5 percent in 1994;
- (B) 10 percent in 1995;
- (C) 15 percent in 1996;
- (D) 20 percent in 1997 and each year thereafter.

Section 1038 will provide significant challenges to many State highway agencies. This legislation has far reaching effects and is the first legislation to use prescribed materials in mandated quantities.

The United States is faced with a tremendous challenge of finding ways to dispose of the 285 million tires that are discarded each year and the estimated 2 to 3 billion tires currently stored in stockpiles. We are not opposed to the potential use of crumb rubber material in pavement as one means of dealing with the serious solid waste problem presented by scrap tires. However, we are concerned about the costs associated with meeting the requirements of Section 10389 the uncertainty regarding potential health hazards, as well as the impact on pavement quality, and the sanctions that may be imposed if the requirements are not met.

Need for Additional Study

The existing requirements issued in Section 1038 of ISTEA are unreasonable. There are several issues that need to be resolved before we proceed with crumb rubber paving. The ISTEA legislation acknowledged some of these concerns and directed the Federal Highway Administration and the Environmental Protection Agency to conduct studies necessary to resolve concerns pertaining to:

- (A) The threat to human health and the environment with the use of asphalt pavement containing recycled rubber;
- (B) The degree to which asphalt containing crumb rubber can be recycled;
- (C) The performance of asphalt pavement containing crumb rubber under various climates and conditions.

There is limited information available on the risks of using rubberized asphalt. The health hazards and emissions resulting from adding crumb rubber material to asphalt have not been fully analyzed and may create additional health and environmental problems.

There is uncertainty as to the impact that adding crumb rubber to asphalt has on pavement quality. The long term performance of rubberized pavement needs to be verified. There are questions as to whether rubber modified asphalt pavement can be recycled to the same degree as conventional asphalt pavement. We are concerned that rubberized asphalt may not perform well in the northern States with cold temperatures where rubber in asphalt may create unacceptable amounts of cracking. These are all important issues that need to be addressed.

We urge the Environmental Protection Agency and the Department of Transportation to thoroughly study all the topics set out in Section 1038 of the ISTEA prior to the implementation of the minimum use requirements.

Cost of Rubberized Asphalt

The biggest deterrent to the extensive use of crumb rubber material, and other waste materials, has been the unsupported high costs. It is estimated that it may cost almost twice as much to use asphalt with recycled rubber as conventional asphalt pavement. Most States see no additional benefits in the pavement's performance to justify the increased costs. A survey of the States conducted by AASHTO in 1993 indicated that the cost of full implementation of Section 1038 will be significant, about \$1 billion per year in 1997.

There may also be other options available for disposing of tires that are more cost efficient. At a recent asphalt conference held in Bismarck, North Dakota, Jim Sorenson from the Federal Highway Administration indicated that it costs approximately 50 to 75 cents to dispose of a tire by burning it for energy use. This compares

to an estimated cost of \$6.50 to \$7.00 for disposing of a tire in asphalt pavement. In using scrap tires in asphalt pavement, only about 50 to 60 percent of the tire is actually used, therefore the balance still must be disposed of, further adding to the total costs. Thus, insisting that crumb rubber material be contained in increasing percentages of asphalt pavement places an undue economic burden on the transportation industry.

Most asphalt rubber pavement projects have not completed a life cycle, making it extremely difficult to determine life cycle costs. Life cycle costs are essential to justify the excessive costs of rubberized pavement. Also, the planning requirements in ISTEA place a great deal of emphasis on using life cycle costs in project planning. Unfortunately, life cycle costs will not be available for most States by 1994, when the use of crumb rubber material will be mandated.

Finally, the most significant impact of mandating the use of crumb rubber material in asphalt will be the decreased lane miles that the States will be able to pave. There are increased costs associated with rubberized asphalt and there is no financial assistance to cover these costs.

The availability of crumb rubber material and the need for special equipment to mix and store the modified asphalt impact the cost of the material. The overall cost and performance of the product must be considered. We suggest that an economic analysis be a major factor in determining the best solution, and that incentives be used to promote scrap tire usage. It does not make any sense to put an extra financial burden on the States by mandating the use of a product that has not been proven to be cost effective.

States Need Flexibility in Use of Recycled Rubber

Although subsection 1038(d) of ISTEA establishes minimum requirements for the use of "asphalt pavement containing recycled rubber," which is defined in subsection (e) as a hot mix or spray in which rubber is mixed into the asphalt, ISTEA does not provide the flexibility to include uses of recycled rubber which are not asphalt pavement related in meeting the minimum use requirements. We strongly believe the States should be given greater flexibility in determining how to use recycled tires—both "to" encourage that practice and to hold down the costs of using recycled rubber in the highway program. We suggest that the statutory usage requirements provision be amended to include other practical construction uses. This could include: (1) fill in road grading and base material; (2) maintenance activities; (3) drainage layers; (4) traffic control items (e.g. cones, drums); (5) in "rubber blocks" for erosion protection; (6) in noise barriers; and other innovative ways. We support the AASHTO resolution for flexibility in the use of recycled rubber in all potentially beneficial highway related applications; and, that these applications be included in the minimum utilization requirements of Subsection (c) of Section 1038.

Sanctions/Waivers

ISTEA's minimum use requirements, scheduled to go into effect in 1994, can sanction a portion of a State's Federal-aid funding if the State is unable to certify they have met the required minimum utilization level for the previous year. The USDOT can waive Section 1038, only if it has reliable evidence to indicate that the use of rubber from scrap tires in asphalt pavement would:

- (1) substantially increase health and environmental risks;
- (2) prevent the pavement from being recycled;
- (3) prevent the pavement from meeting performance specifications.

Therefore, Section 1038 requires that the EPA Administrator find that there is reliable evidence of a substantial increase in health or environmental risks or that, it be established by FHWA that pavement performance standards are not being met before a waiver is granted.

Subsection (7) includes a provision that allows the Secretary to reduce the minimum use requirement for asphalt pavement containing recycled rubber. The reduction can be granted upon the request of a State, if the Secretary, with the concurrence of the EPA Administrator, determines that there is not a sufficient quantity of scrap tires available to meet the minimum use requirement established under paragraph (1) as a result of recycling and processing uses, including retreading or energy recovery. According to a survey of the States by AASHTO, 48 percent of the respondents either have sought, will be, or are considering seeking a waiver of Section 1038 due to the lack of scrap tire availability.

It is not practical to issue a nationwide mandate on the use of recycled rubber in asphalt pavement until additional information is obtained. The additional informa-

tion is needed on the health and environmental risks, pavement performance, and life cycle costs. In addition, alternative uses, and cost factors must be evaluated before recycled rubber used in asphalt pavement can be considered a cost-effective viable option for disposing of used tires.

Metrication

A Federal law passed by the Congress in 1975, and amended in 1988, requires the Federal government to implement use of the metric systems of measurement into its procurements, grants and other business related activities by 1996. Therefore, it is the Federal Highway Administration's intent that all Federal and Federal-aid construction contracts advertised for bids after September 30, 1996, will contain only metric measurements.

We are not here today to argue whether we should or shouldn't convert to metric units of measurement. We realize that, in today's global marketplace, there are some potential benefits, such as greater industrial efficiency and international competitiveness, available through the metric system. Many American design and construction firms have already begun using metric units for their foreign work.

Any time a major change like this is undertaken you will encounter some problems and resistance. We, as a group of transportation officials, have some concerns that need to be addressed during the transition to the metric system. Our major concerns include: (1) the cost of converting to the metric system; (2) the need for a strong public education program; and (3) leadership and direction at the national level.

Cost of Converting to the Metric System

In the transportation industry, the most common questions regarding the conversion to the metric system are how much will it cost, who will pay for it, and what is the benefit? These are legitimate concerns. The costs of converting to the metric system will be tremendous. The major costs to State highway agencies will range from changing highway speed and distance signs, to rewriting highway and transportation design procedures, rewriting motor vehicle and drivers license manuals, to the purchase of materials and equipment, to retraining workers in the public and private sector.

The Information and Administrative Services Division of the North Dakota Department of Transportation estimates that it will cost the NDDOT about \$525,000 to convert its design procedures and computer software to the metric system. Converting highway signs from English to metric is by far the most visible change, especially to the motoring public. It is also the most expensive. In North Dakota, there are approximately 9600 signs on the State 'highway system that will need to be converted to the metric system. Assuming the conversion amounts to a decal that sticks to the existing signs, it is estimated that it will cost the NDDOT about \$1 million to make the conversions.

Therefore, it is estimated that it will cost the NDDOT in excess of \$1.5 million to convert its highway signs and computer software. In addition, there will be costs associated with rewriting manuals, training employees and educating the public. This also does not take into consideration the costs of converting city, county and township signs and software.

It has been insinuated that transportation agencies at all levels of government are expected to absorb the costs of conversion within their own budgets. This is both unfair and unrealistic. At a time when State and local governments are facing a financial crisis in generating adequate revenue to carry out day-to-day activities, they cannot be expected to undertake the financial burden of converting to the metric system. If metric conversion is to take place in a timely and uniform manner, special Federal funding must be provided to reimburse State and local governments for costs associated with the conversions.

Public Education

Getting the transition underway is a difficult task. There will be Initial resistance to change. Conversion to the metric system will mean major adjustments for the public. Public education and awareness is vital for a successful conversion period. Sufficient time for education must be assured. The program should be started early and should be in operation throughout the conversion period. We need an education campaign that informs the public about changes to the metric system, shows how to convert measurements to the metric system, as well as the benefits of conversion and how the conversion specifically relates to transportation.

The Commerce Department has been mandated at the Federal level to direct and coordinate the implementation of the metric system. The primary efforts should be conducted at the Federal level, but must be supported by State and local government programs which provide information appropriate for local conditions and programs.

Need Federal Direction

At this time, the States do not have a definitive set of rules with which they can proceed in the transition and conversion to the metric system. Our staff people are having a difficult time obtaining information on what is happening at the national level regarding the conversion to the metric system. We need to be informed and updated on the conversion efforts at the national level.

The Federal mandate stated that all Federal agencies are to proceed with metric conversion. However, up to this point it appears that the Department of Transportation is one of the few Federal agencies that is moving ahead with metric conversion. It is important for us to know how other agencies are proceeding, and they must all work together if this is to take place on a national scale.

Federal Highway officials need to specifically define the implementation and scope of the metric conversion. Without specific Federal direction, States and businesses cannot proceed in a responsible manner. Communication and cooperation are essential if we are to proceed with metric conversion in a timely and uniform manner. The benefits of metrication may be many, but they will only be realized if we work together and keep the public informed.

Delay Metric Conversion

Since all of the tasks which must be undertaken to convert to the metric system will cost money, and given that money for those purposes does not appear to us to be readily available at the Federal, State or local level, we believe the best approach would be for FHWA to delay its proposed 1996 starting date for use of metrics in the highway program.

We feel that the funds that would have to be spent on metric conversion could be better used over the next few years by investing in infrastructure. Also, providing a longer phase-in period should provide a smoother transition. Therefore, we recommend to the USDOT and the Congress that the metric conversion process for the highway program be delayed, particularly if additional funds can not be made available to assist this transition.

Seat Belt/Motorcycle Helmet Laws

Section 1031 of ISTEA subjects a state to a penalty if it does not have in place a mandatory Seat belt and motorcycle helmet law by September 30, 1993. If a state does not have these laws in place it is subject to a penalty which transfers a portion of highway construction funds to its 23 USC 402 highway safety program.

We support the use of motorcycle helmets and seat belts. Goals to reduce highway fatalities and injuries through the use of motorcycle helmets and seat belts are steps in the right direction for saving lives and reducing overall medical costs.

While the goal of the legislation may have been desirable, we oppose the means taken to implement that goal. We have serious reservations about using Federal mandates and sanctions to force States into enacting mandatory seat belt and motorcycle helmet laws.

This is an important States rights issue. We believe that enacting seat belt and motorcycle helmet laws should be left up to the individual States. Our Transportation Departments and Safety Coalitions will continue to promote the passage of these laws, but should be able to do so without the threat of Federal sanctions being held over our heads.

Penalty Provisions

As the statute is currently enacted, any State that does not have both a mandatory seat belt and motorcycle helmet law in place would be subject to having a portion of its highway construction funds transferred to the 402 highway safety program. We believe there should be no such sanction; thus, we support S. 295, Introduced by Senator Durenberger. This bill would amend the sanction provision of ISTEA by removing penalties for States that do not have in effect safety belt and motorcycle helmet laws. The bill would retain the provision's grant program as a safety incentive to pass both laws, but repeals the sanction provision. You are a co-sponsor of that bill Mr. Chairman, and we appreciate your support. Other co-sponsors from our

Region include Senators Kempthorne, Burns, Simpson, Wallop, Conrad and Dorgan, and we appreciate their support as well.

However, if the sanction provision cannot be completely repealed as proposed in S. 295, we suggest that the penalty provision should be at least modified, so that 50 percent of the penalty would apply for failure to enact one of the two laws. The full penalty would apply only in case neither law is enacted. Under current law, once a State makes a decision not to adopt one of the two required State laws, there is no incentive in the Federal statute for the State to proceed to enact the other requirement. For example, if a motorcycle helmet law is rejected by a State, the same penalty would apply under 49 USC 153(h) whether or not a seat belt law is passed.

We believe that the public interest in highway safety would be better served by modifying this provision. The suggested change would reduce penalties by half if one of the two required laws is enacted. With such modifications, there would be a Federal incentive for a State to enact one of the two safety requirements even if it chooses not to enact both.

Transferring Funds to Safety Program

As stated above, under Section 1031 of ISTEA, if a State does not enact a motorcycle helmet and seat belt law, a portion of that State's regularly apportioned highway funds is transferred to its 23 USC 402 safety program. The States already have a safety program in place. Another problem with this provision is that the sanctions imposed could result in an extremely large safety promotional program at a time when the revenue is needed for more critical programs and projects to improve our transportation system.

For example, a study conducted by the NDDOT showed that we should be spending about \$120 million per year on our rural pavements to keep them in their present conditions. However, due to funding constraints we are only spending about \$60 million per year. So, there is a need for additional revenue to improve the condition and safety of our highways. Under the current law, North Dakota, which does not have a helmet law, would have to transfer \$1.2 million during the first year, \$2.4 million during the second year, and about \$2.4 million each year thereafter to the 402 safety program. Transferring some of the construction funds to the safety program will just add to the construction funding shortfall.

If sanctions are not removed, States should be provided flexibility in determining the most productive safety uses for the transferred 402 funds. We believe the provision should be amended so that the "penalty" funds could be spent on a limited class of construction projects, such as improving railroad crossings, installation of guard rails, and traffic control signs, and perhaps other types of projects which clearly have safety benefits.

Conclusion

Mr. Chairman, that concludes our statement. We appreciate the opportunity to testify and would be pleased to respond to any questions the Committee may have.

NORTH DAKOTA DEPARTMENT OF TRANSPORTATION

April 13, 1993

The Honorable Max Baucus, Chairman
Committee on Environment and Public works
United States Senate
458 SDOB
Washington, DC 20510-6175

ISTEA HEARING, KALISPELL, MONTANA

I want to thank you for providing North Dakota and our neighboring states the opportunity to discuss some of the transportation issues impacting rural America. As a result of your efforts, and the efforts of other Congressmen from this region, we are assured that rural America will continue to be treated fairly in the allocation of transportation resources.

The states of Idaho, Montana, North and South Dakota, and Wyoming, through a cooperative effort, have identified several key transportation issues that concern rural states in this region. These states have prepared a joint testimony that will be presented at the hearing in Kalispell, Montana, on April 14, 1993. The North Dakota Department of Transportation totally supports the joint testimony. A copy of the joint testimony is attached.

Passage of the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) will play a vital role in the development of our surface transportation system. We appreciate your efforts in getting this important piece of legislation passed. Now, the states are faced with the challenge of implementing the various provisions of ISTEA.

Flexibility was one of the major themes and selling points in getting ISTEA passed. We hope the flexibility provided the states is not overshadowed by the rules, regulations, and mandates that are issued at the Federal level.

As stated earlier, North Dakota supports the joint testimony that was prepared for this hearing. However, there are a couple of additional items that are not addressed in the joint testimony that we would like to bring to your attention.

North Dakota is very concerned about the loss of rail service in some areas of the state. Since 1980, almost 800 miles of branch lines have been abandoned in the state. The Local Rail Freight Assistance program (LRFA) has played an important role in providing funds to rehabilitate some of the branch lines that may have been abandoned if they had not been improved. Now, there is talk of eliminating the LRFA program.

North Dakota, is somewhat unique, in that we have established a revolving loan fund account with the LRFA funding we have received. The funds in the revolving loan fund account are then loaned to the railroad companies, at a low interest rate, to improve branch lines in the state. Since 1982, we have rehabilitated almost 340 miles of branchlines in the state. We are concerned that if the LRFA program is discontinued it will have a negative impact on our revolving loan fund program. The existing program has been successful. Therefore, we strongly endorse the continuation of the LRFA program, and request your support.

Another area of concern has been the Transportation Enhancement program contained in ISTEA. Section 1007 of ISTEA requires each State to use 10 percent of the Surface Transportation Program funds for transportation enhancements each year. Transportation enhancements basically fit into three categories: 1) bikeways/pedestrian facilities; 2) scenic and environmental; 3) historic properties.

The transportation enhancement program amounts to about \$4 million per year in North Dakota. We are currently having a very difficult time keeping up with our existing highway preservation program. It is difficult to justify spending dollars on transportation enhancements, when we are falling behind on our regular highway program.

Some groups also look at the Transportation Enhancement Program as a diversion of highway funds. The funds are being used for non-traditional transportation projects. There is concern that the program may increase in the future, which would further erode highway funding. This is another example of the Federal Government mandating how the states should use their transportation funds. If a state wants to use their transportation funds in this manner they should have that option.

However, a state should not be mandated to spend a specific percentage of their Surface Transportation Program funds on these projects.

Once again, I would like to thank you for providing us the opportunity to comment on these important transportation issues. Your cooperation and support is appreciated.

MARSHALL W. MOORE—DIRECTOR

IDAHO TRANSPORTATION DEPARTMENT TESTIMONY ON THE INTERMODAL SURFACE TRANSPORTATION EFFICIENCY ACT OF 1991

The implementation of the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991 has introduced many new procedures and requirements into the state and local transportation planning, programming, and construction processes. Organizational relationships, decision-making, and regulatory requirements have all been affected. Since passage of this legislation in December, 1991, Federal, state, and local government task forces and committees, together with private organizations, have minutely studied the various aspects of the act. To date, Federal rule-making is still underway. The Idaho Transportation Department (ITD) is concerned about the many new requirements introduced into an already complex program. Carrying out these new transportation programs and projects will greatly impact state and local resources.

We have worked with the States of Montana, Wyoming, North Dakota and South Dakota in the preparation of joint testimony addressing areas of common interest to

our rural states. The ITD fully supports the joint testimony as prepared by the five states.

After working to interpret and implement the ISTEA over the last fifteen months, there are a number of things about this program, both positive and negative, about which ITD would like to comment:

On the positive side, there are several aspects of the act which have been very beneficial to the transportation program in Idaho:

- 1) ISTEA has provided a greater degree of flexibility in the use of Federal-aid funds between program categories, such as the National Highway system (including interstate highways), and the Surface Transportation program.
- 2) ITD has been granted a larger amount of freedom in the oversight of projects by the Federal Highway Administration (FHWA).
- 3) The Federal, State and local governments have been required to develop a cooperative relationship on transportation programs and projects which has been beneficial in serving our customers.
- 4) The creation of a National Highway system with a strong funding base and commitment from the FHWA.
- 5) The responsiveness and cooperation of the FHWA in working with the states to resolve specific issues and problems that have arisen under the ISTEA.
- 6) The allowance of "pooling" of several years apportionment of Demonstration project funds, thereby accelerating project development (under the 1993 DOT Appropriations Act).

There are also, as you might expect, some specific features of the ISTEA which have created problems for Idaho. Each of these areas is discussed below under a number of general headings.

ADMINISTRATION

1. There has been a substantial increase in staff resource demands to comply with the requirements of ISTEA. As an example, the new Congestion Mitigation/Air Quality and Transportation Enhancement programs comprise only 10% of Idaho's Federal-aid funds but have occupied a majority of the staff time for project programming this year.
2. ISTEA requires that the governor of each state shall certify, before the beginning of each quarter of a fiscal year, that the state will meet all the requirements of the Surface Transportation program and shall notify the Secretary of the amount of obligations expected to be incurred for Surface Transportation program projects during such quarter. FHWA had to publish special procedures to handle this situation. These procedures were structured to allow a project-by-project request. The total procedure is cumbersome and appears to serve no purpose.
3. Overall, ISTEA requires the Governor to make numerous certifications to the Secretary of Transportation concerning the carrying out of actions or programs under the act. This requirement is unnecessary and burdensome. The Governor of Idaho has officially designated LTD as the lead agency for implementing ISTEA in a letter to the Secretary.

FUNDING

1. There is less Federal-aid available for highways and bridges on the State Highway system under ISTEA than under previous acts. By comparing FY 1991 with FY 1993, there is \$3.0 million less available for projects on the State Highway system and \$6.4 million more available for local projects. This is due to such factors as a continuation of obligational limitations, creation of new programs (Congestion Mitigation/Air Quality and Transportation Enhancement) and higher allocations by LTD to local governments to help address needs off the National Highway system.
2. Citizens and local officials had false expectations upon the passage of ISTEA concerning the availability of more funds for highway projects. The continued withholding of obligational authority by Congress has resulted in the delay of planned projects expected by the public.
3. The planning and programming of needed transportation projects can be helped a great deal by allowing the full funding of programs as authorized under ISTEA and also by extending the 2.5 cents/gallon motor fuel tax currently dedicated to the General Fund of the Treasury and placing those revenues in the Highway Account of the Highway Trust Fund.

STATEWIDE TRANSPORTATION PLANNING

1. A specific problem in preparing a Statewide Transportation Plan in Idaho is in the area of transportation impacts on land use. States are required as part of

the transportation planning process to consider, "the effect of transportation decisions on land use and land development, including the need for consistency between transportation decision-making and the provisions of all applicable short-range and long-range land use and development plans." A majority of the cities and counties (who have authority to determine land use) in Idaho have not adopted land use or transportation plans.

2. The Idaho Transportation Department supports the AASHTO recommendations on six general principles of guidance to FHWA and FTA in writing the federal regulations to implement the statewide planning provisions of ISTEA. These guidelines are as follows:

A. **GUIDELINES.** The regulations should be written in the form of guidelines which present various process steps to be covered in the planning process and not a specific set of deliverable products to be completed by arbitrarily selected dates. The twenty factors of the ISTEA should not be viewed in a tightly prescriptive manner.

B. **FLEXIBILITY.** The guidelines should be flexible enough that the inherent diversity among the states is seen and served.

C. **TIMETABLE.** The guidelines should be incrementally implemented. States should be allowed sufficient time to adapt their current planning programs in accordance with the new guidelines.

D. **STRATEGIC.** The guidelines should lead to a planning process that is strategic in nature (i.e.—vision, mission, goals, objectives, and policies versus maps, specific plans, projects and data). Plans should not be required to go down to the project identification level, but may if the state desires. The plans should permit reasonable latitude in determining resource levels that might be available.

E. **ENVIRONMENTAL.** The process should be cognizant of general, long-term, statewide air quality and other environmental objectives. The statewide planning process should be kept separate and distinct from any detailed reviews which Environmental Protection Agency deems necessary under National Environmental Protection Agency or Clean Air Act Amendment requirements, or State Implementation Plan conformity.

F. **UNITE USDOT** Statewide planning addressing all pertinent modes of transportation would be greatly facilitated by integration, coordination, and full cooperation within USDOT itself. The ability to use planning/research funds across the modes for multimodal/intermodal studies is desired.

STATE TRANSPORTATION IMPROVEMENT PROGRAM (STIP)

The approval process by FHWA and FTA of the STIP is cumbersome and time consuming. Communication problems have arisen due in part to the physical location of the FTA regional office in Seattle, Washington and the FHWA division office in Boise, Idaho. In order to improve communications and to clarify expectations, USDOT needs to support quarterly joint meetings between FTA regional, FHWA division, and state DOT's for review of scheduled events and content of STIP's. This process could be further improved by the consolidation of DOT agencies as discussed under the "Planning and Funding Schedules" section on page 7.

MANAGEMENT SYSTEMS

ISTEA requires State development, establishment and implementation of Management Systems for pavement, bridges, highway safety, traffic congestion, public transportation, intermodal transportation and also a traffic monitoring system. Each of these systems will have a significant impact on State and local governments. They will require extensive information databases, which are very costly to develop and maintain. Each management system will require labor-intensive data collection and data processing systems. We are concerned that the resources of state and local governments will be significantly impacted, not only to develop and implement them, but to maintain them on a reasonable schedule. Many local jurisdictions do not currently collect data in most or all of these areas. They will have to provide or hire personnel and equipment to collect this data, further straining already scarce resources.

Each individual state must be allowed to develop and implement management systems required by ISTEA according to local needs and situations. These systems should serve the purpose of aiding decision making at the state and local levels and not as a means of imposing national procedures. The states and MPO's should be allowed to determine the nature of their mutual cooperation and the level of data collection necessary to accomplish this, including the option to include or not include local governments below the MPO level.

Some specific problems with implementation of these systems are as follows:

- 1) **Traffic monitoring:** Quarterly speed monitoring reporting requirements are excessive. Required vehicle classification reports between each interchange in

urban areas and on four-mile segments on the NHS are unnecessary in relation to the cost to provide the information. Existing vehicle classification data recorders are not capable of accurate vehicle identification in high traffic volume corridors.

- 2) Pavement management: Annual state certification of how local agencies are implementing a Pavement Management system will be very difficult and time consuming for states like Idaho which has over 200 local road jurisdictions with limited resources and few personnel.
- 3) Bridge management: Two different models are being used by FHWA for bridge management. Idaho believes it would be most efficient if FHWA convert data from the Pontis-BMS to the National Bridge Inventory model or convert to the Pontis-BMS model entirely.
- 4) Congestion management: Idaho, being a large state with a small population and taxing base, will have to carefully assess capital investments and other measures necessary to make most efficient use of our existing transportation facilities to relieve congestion and maximize the mobility of people and goods. This situation will make it very difficult for Idaho to readily comply with the state-wide planning requirement to significantly reduce motor vehicle travel, particularly single-occupant vehicles.
- 5) Safety management: Due to the wide variety of safety programs, databases and governmental organizations involved in safety, each state should be allowed to develop its own Management systems according to respective needs.

HIGHWAY SAFETY

The Highway Safety program is primarily a federally-funded, state-administered grant program. Funds are received from both the National Highway Traffic Safety Administration and the Federal Highway Administration. Program funds are used for grants to state and local units of government to address driver behavior issues such as impaired driving, occupant protection, pedestrian, bicycle, and motorcycle traffic records, enforcement of traffic laws, and addressing roadway safety in general.

The ISTEA has, for the most part, continued the positive aspects of the Highway Safety programs carried out under the previous Surface Transportation Acts. There are, however, several serious concerns, relating specifically to the ISTEA, which are enumerate below:

1. ISTEA requires all states to pass mandatory motorcycle helmet and seat belt laws or be sanctioned. The law presumes that all states have a significant highway safety problem related to non-use of helmets or seat belts, which is not true. The ISTEA not only mandates that Idaho pass legislation that is politically unpopular, not supported by the citizenry, and not a critical safety issue, but results in a transfer of highway construction funds to the 402 program if the state fails to pass the require legislation.
2. Under the ISTEA, Section 153, "Use of Safety Belts and Motorcycle Helmets", and Section 410, "Alcohol-Impaired Driving Countermeasures", appropriations are taken off the top from sums made available to carry out the program. Thus, the base 402 program is continuously being reduced to fund these other programs. Idaho, however, is not eligible for Section 153 and Section 410 funds because of the lack of specific legislation required by each section. The result is lower 402 funding to the state.
3. Demands on the 402 funds have increased dramatically. Prior to 1988, there were six national highway safety priorities which states were expected to address, then seven in 1988, then eight in 1991. Under ISTEA, two more priorities might be added yet no new resources have been offered to help solve these problems.

PUBLIC TRANSPORTATION

1. FY 1994 Department of Transportation Budget: Monies apportioned to the states for FY 1993 Public Transportation programs were not funded to the levels established by ISTEA. This resulted in availability of ISTEA funds at 14% less than FY 1992 levels. This underfunding has seriously hurt all of Public Transportation's formula grant services and has resulted in the use of Congestion Mitigation/Air Quality Funds for public transit operating projects. In addition, provisions of Section 3 require states to expend all other budgeted categorical funds before any Section 3 monies may be applied. This prohibits Idaho from acquiring other needed urbanized transit funds.
2. Planning Provisions in ISTEA: The current timelines for development of the State Transportation Improvement Plan (STIP), together with the present funding cycles for Public Transportation's grant programs, do not mesh with FHWA

Grant Programming Processes. Greater coordination between FHWA and FTA on programming and planning at both the national and regional levels would be helpful to assist the State in synchronizing agency activities. For example, the FTA funding cycle should be changed from April through April to October through October to match the FHWA.

PLANNING AND FUNDING SCHEDULES

Nearly all of the problems cited previously in this testimony are made more difficult because of the fact that the FHWA, FTA, Federal Aviation Administration (FAA), and National Highway Traffic Safety Administration (NHTSA) all have different planning, funding and project selection schedules. Developing a truly intermodal transportation program will be nearly impossible unless the agencies which control these various modes are working on the same schedule.

On August 21, 1992, Governor Andrus of Idaho sent a letter to then Secretary of Transportation Andrew Card detailing these varying schedules and the resulting problems (copy attached). The Department of Transportation (DOT) should take the necessary action to ensure that all agencies within the Department are on the same planning and funding schedules. This could be accomplished within DOT by the combining of all surface transportation agencies, as has been done in most states.

NATIONAL HIGHWAY SYSTEM

We fully support the concept of a National Highway system. This is essential in order to give a national focus to the Transportation program and to serve the social, economic and defense needs of the nation. We believe the mileage should be large enough to serve the State and national interests of a rational trunkline transportation system. Idaho recognizes the problem which large rural states have in meeting the mileage requirements for the NHS system.

SUMMARY

ITD is currently in the process of implementing ISTEA through the consideration of multimodal projects; working with other agencies and groups; and obtaining public involvement. Twelve public meetings throughout the state are scheduled in July to obtain input on our statewide transportation planning process and "draft" State Transportation Improvement Program.

ITD is in the process of fully implementing the ISTEA and believes that the states should be held accountable for doing so. If we are burdened with regulations and details so great that we cannot accomplish them, then the purposes of the program will be defeated.

Your help to provide funding at the full amount authorized by ISTEA and special focus on ITD's concerns as contained herein will result in an increased ability to meet the transportation needs of Idaho.

OFFICE OF THE GOVERNOR STATE CAPITOL BOISE 03720-1000

AUGUST 21, 1992

The Honorable Andrew H. Card, Jr.
Secretary of Transportation
400 7th Street, S.W.
Washington, DC 20590

Dear Secretary Card:

I'm pleased to know of your concern and initiative to work with the states to help resolve issues that may delay construction projects and job opportunities. I share your concern. It has been pointed out to me that the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the National Highway Traffic Administration (NHTSA) and the Federal Aviation Administration (FAA) have different planning, funding and project selection schedules that make it difficult to coordinate activities as required by the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA).

The enclosed chart entitled "Federal Aid Program Scheduling" shows the inter-relationship of some key activities and deadlines for the planning and obligation of projects. The non-coordination of federal deadlines and notices is quite apparent. Uniformity among the federal transportation programs would help in the intermodal planning process at the state level. It would be much easier to consider the inter-relationship of projects in the early planning stages if the federal agencies and programs were on the same schedule. As an example, it seems reasonable that all apportionment and obligational limitation notices be received in October of each year.

CECIL D. ANDRUS,
GOVERNOR

- FEDERAL-AID PROGRAM SCHEDULING -

<u>Program</u>	<u>Idaho's Project Selection Planning Process</u>	<u>Federal Required Approval</u>	<u>Apportionment Notice</u>	<u>Obligation of Projects</u>	<u>Comments</u>
FHWA	April-Sept.	Oct.	Oct.	1st quarter limitation and August redistribution	Future FHWA approval of state transportation Plan will be based on consist- ency with State Intermodal transportation Plan
FTA	June-Sept.	1st of each quarter	Dec.	End of each quarter	With the quarterly grant cycle there are problems with program stability and planning the use of trans- ferred FHWA funds. Greater flexibility in the Section 8 planning funds to coin- cide with FHWA processes is needed.
NHTSA	Feb.-June	Aug. 1st	varies Nov.-Jan.	Staggered from Oct. 1st	Not receiving final appor- tionment notice and/or ob- ligational authority until well after the beginning of each fiscal year results in a staggered system of grants to absorb fluctua- tions in allocation.
Aeronautics	Nov.-April	None	None	Federal Aviation Administration works directly with locals to fund projects.	Recommend that the state receive and administer general aviation funds as a block grant.

**Statement
of
Steve Turkiewicz, Chair
Montana Highway Users Federation
before
the
Senate Environment and Public Works Committee
Kalispell, Montana**

April 14, 1993

**Hearing Topic: Implementation of the Intermodal Surface
Transportation Efficiency Act of 1991**

Mr. Chairman, Senator Kempthorne, and Secretary Peña, I am Steve Turkiewicz, executive vice president of the Montana Automobile Dealers Association and chair of the Montana Highway Users Federation. Today, I am representing both the Montana Highway Users Federation and the national Highway Users Federation.

I want to begin by welcoming Secretary Peña and Senator Kempthorne to Big Sky country. Mr. Chairman, we thank you for bringing your committee and the Clinton Administration's top transportation official to our state to hear the concerns and interests of Montanans who depend on a good highway system to make our resource-dependent economy and our growing tourism industry work.

We were pleased to see the first subject area listed in your letter of invitation, Mr. Chairman, is the National Highway System (NHS). Timely Congressional approval of the NHS is a top priority for Montana highway users, and we urge Congress and this Administration to make it a top priority in your own consideration of transportation policy.

As described in the Intermodal Surface Transportation Efficiency Act (ISTEA), the NHS will be a 155,000-mile network of the country's most important roads and bridges, including all of the 45,000-mile Interstate System. (In the system he proposes to Congress, Secretary Peña may raise or lower the 155,000-mile limit by 15 percent, at his discretion.)

A system of that size will constitute only 4 percent of the country's total road and street mileage; yet, the NHS will carry 40 percent of all highway travel and about 75 percent of our heavy truck traffic. The NHS will be our highways of interstate commerce and international trade and the roads that make it possible for vacationing Americans to see, rather than fly over, America. For the national highway users, it represents our best opportunity to gain real increases in highway transportation productivity so our producers and suppliers can be competitive in the complex 21st century world economy.

Based on the maps already submitted to the Federal Highway Administration by Montana and other states, the NHS will consist primarily of highways that exist today and daily carry farm products to market; city commuters to work; tourists to new experiences; raw materials to factories; and finished goods to rail bulkheads, ports, and markets in Montana and across the country. We expect the NHS program funds to provide welcome safety and service improvements to many of these facilities. In addition, there will likely be some new construction to serve developing corridors of international trade (for instance, a study has been proposed in the state legislature to upgrade substantially the route from Billings to Great Falls).

For construction and maintenance on the NHS, Congress has reserved \$38 billion of the \$121 billion authorized for all highway and highway safety programs over the 6 years of ISTEA. The law also gives the states considerable discretion to transfer NHS funds to other transportation projects, which would reduce the total funds actually dedicated to the NHS.

Those facts help demonstrate the importance of timely Congressional approval of the NHS. This program is the only element of ISTEA that reserves funds -- a relatively small portion of all federal highway dollars -- to build and improve a defined network of the country's most important roads for trade and travel. These roads will be critical to our ability to beat the international trade competition in the 21st century, and a dedicated source of federal assistance will help the states focus their own resources on improving these routes.

Concentrating a portion of our highway dollars on the NHS will ensure the states are able to incorporate smart highway technologies, build additional lanes where needed, utilize good traffic management -- for example, computerized signals and mobile lane dividers -- to increase capacity without adding lanes in urban areas, and make design improvements -- wider lanes, thicker pavements, shoulders, guardrail and other hazard elimination, grade separations, etc. Even with our limited financial resources, improvements

such as these are feasible on a defined, relatively small network of roads and bridges.

Since the NHS will carry the bulk of our commercial and personal highway travel, the benefits of this investment -- in terms of increased productivity, fewer fatalities and injuries, and more efficient movement of goods and people -- will be magnified. Those productivity, safety, and efficiency gains may well be essential to our future economic growth.

The Senate may shortly be considering ratification of the North American Free Trade Agreement. Since the purpose of that agreement is to bring three national economies together in one large, powerful trading block, it is worth noting that only 16 Interstate highways connect Canadian and Mexican highways along the U.S. border. That's about one high-capacity route for every 300 miles of border. We're fortunate to have one of those international highway connections, I-15, carrying commerce through Montana.

If we expect to reap the economic, social, and political advantages promised by NAFTA proponents, we must have greater vehicle through-put across our borders. The NHS may help provide that necessary additional capacity. Based on discussions with border state officials, we expect new routes incorporated in the NHS and other procedural improvements to at least double the number of major border crossings, affording the equivalent of high-capacity service every 150 miles.

Mr. Chairman, at least one of those proposed NHS routes slated to become a new avenue of international trade is US-93 running through Montana. Once improved, US-93 will bring increasing volumes of Canadian commercial traffic and visitors into our state and open up Canadian markets to goods produced in Montana. That increased trade will be important to our state and national economy, and the NHS will help make it happen.

The Montana Department of Transportation has already submitted its proposed NHS map to the Federal Highway Administration, and all states are supposed to have submitted their maps by the end of this month. We believe it will be difficult for some of the states with large land areas to designate a good statewide network of NHS routes given the mileage constraints imposed by the 155,000-mile limit. Consequently, we urge Secretary Peña to utilize his authority to increase the total mileage by 15 percent to accommodate the special needs of states like Montana where geography just doesn't allow for a one-size-fits-all approach.

Mr. Chairman, we appreciate the interest you showed when the Senate considered the NHS during debate on the ISTEA. You repeatedly voiced concern that the draft NHS map developed by FHWA did not include sufficient mileage in Montana, and we think you were right. While it may not be necessary to include every last mile of Montana's principal arterial highways, the FHWA should understand there are some highways here with low traffic volumes, relative to nationwide totals, which nevertheless are essential if we are to have a statewide commercial traffic system.

We hope you will lead the charge in the Senate, Mr. Chairman, to get the NHS designated in law as soon as possible after the Secretary transmits his proposal to Congress later this year. We appreciate this hearing to discuss the NHS, and we hope your committee will monitor progress on development of the NHS throughout this year.

Mr. Secretary, given the importance of timely Congressional action to approve the NHS and the Chairman's history of concern about the extent of the system proposed for Montana, we urge you to include in your proposal all the important Montana highways necessary to garner the Chairman's strong support. It is a happy coincidence that serving the interests of Montana also serves the interests of the nation by ensuring timely action on the NHS.

Mr. Chairman, neither the NHS nor any of the other important programs included in ISTEA can be properly implemented without sufficient funds. In March, the Montana Highway Users Federation wrote to you, Senator Burns, and Congressman Williams to indicate our strong support for the additional \$2.976 billion of highway funds included in the President's economic stimulus package for 1993. This funding would bring the highway program up to full funding for the first year since ISTEA was enacted. For Montana, it would mean an additional \$28.6 million, which would allow the state to spend its full 1993 apportionment of \$165 million, plus the \$11.6 million in demonstration project and federal lands funds we have received.

We understand the stimulus package has been delayed, for a variety of reasons, and Congress was unable to complete action on it prior to this Easter recess. We only want to stress the importance of that highway funding, not just for the long-term economic benefit of improved highways, nor for the short-term benefit of jobs it will create, but because it establishes a precedent for Congress fulfilling the funding commitments made when this landmark legislation was enacted.

We were also very pleased to hear Secretary Peña's recent announcement that the Administration's 1994 budget proposal includes full funding for highways. That means a \$20.5 billion highway program beginning this October. The nation will be well served if this funding request is approved.

Our current financial resources, even assuming Congress provides full ISTEA funding, are insufficient to meet the country's highway and bridge construction needs. FHWA's 1993 report on the condition of our roads and bridges indicates all levels of government spent \$36.1 billion on highway and bridge capital improvements in 1991, but \$51.6 billion should be spent just to maintain current conditions. In order to improve road and bridge conditions to an acceptable level, annual capital funding should be \$67.3 billion.

In Montana, the report shows the state has been doing a good job of improving pavement conditions, but as of 1991, the pavement on nearly 14 percent of our non-Interstate arterial highways was in unacceptably poor condition. That means higher transportation costs, lower productivity, and a less pleasing drive for the thousands of visitors who come every year to see Big Sky country.

As you have heard already today, the Montana Legislature is moving forward with a significant fuel tax package to help our state meet those important transportation needs. As in previous debates over fuel taxes, we're finding most highway users are willing to pay a reasonable fuel tax if they know those taxes will be used to build and improve the roads they use. They are much less supportive of a fuel tax increase if part of the funds will be used for projects or programs that don't provide a direct benefit to the motorist.

This is true of highway users in Montana and across the nation. We were particularly pleased when Secretary Peña announced the Administration would propose to recapture for transportation programs the revenues from the 2.5 cents-per-gallon federal fuel tax now going to the general fund. We think it was a mistake when those taxes were diverted away from the Highway Trust Fund in the 1990 budget agreement. If the taxes now scheduled to expire in 1995 are to be permanently extended, as the Administration proposes, they must go to the Highway Trust Fund in order to ensure continued public support for the federal-aid highway program and permit full funding for the out-years as authorized in the ISTEA.

In addition to the issue of public support for the highway program, the General Accounting Office (GAO) has made a strong case for putting those fuel tax revenues back in the Highway Trust Fund. GAO says without additional revenues the highway account will fall \$12.5 billion short of

ISTEA's funding commitment to the states by the end of fiscal 1997. Without additional revenues, FHWA will have to cut state highway apportionments by approximately \$4 billion in each of fiscal years 1995, 1996, and 1997.

That would be a severe blow to our highway program in Montana and particularly unfair given the commitment our highway users and legislature are making to raise the funds necessary to match ISTEA dollars and provide a state-financed highway program. Therefore, we appreciate Secretary Peña's successful lobbying efforts, within the Administration, to see that those tax revenues will be directed to the Highway Trust Fund. And Mr. Chairman, we thank you for your outspoken support for recapturing those fuel taxes for the highway program.

Again, Mr. Chairman, thank you for bringing your committee and Secretary Peña to Montana and allowing us this opportunity to discuss the interests and concerns of highway users. We look forward to working with you and your staff on highway funding issues and early approval of America's National Highway System.

CITIZENS FOR A BETTER FLATHEAD

P.O. Box 7082
 Kalispell, MT 59904-0082
 406-755-9393

April 14, 1993

Senator Max Baucus, Chairman
 United States Senate
 Committee on Environment and Public Works
 Washington, D.C. 20510-6175

Re: Written Testimony for April 14, 1993 Committee hearing in
 Kalispell, MT on Public Law 102-240 (ISTEA)

Dear Senator Baucus:

We appreciate the opportunity to address the Committee on
 Environment and Public Works regarding the implementation of
 ISTEA.

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FORWARD

Citizen's For A Better Flathead is non-profit organization
 formed in 1991 in response to concern about the redesign of U.S.
 Highway 93. The organization expanded the scope of it's
 activities in 1992 to address land use and waste management



issues in the Flathead Valley.

Bruce Boody, Co-Chair of CFBF Transportation Committee, is representing CFBF at this hearing. He is a licensed landscape architect and an active member of the American Society of Landscape Architects. His interest in highway projects is a result of his professional training and awareness of transportation and land use issues. Historically, landscape architects have been involved in innovative and resource responsive highway projects nationwide. Bruce's involvement in the U.S. Highway 93 project is a result of these concerns and his recognition that the Flathead Valley is one of the most beautiful places in the United States. ASLA and CFBF are concerned that transportation projects, like U.S. 93, be responsive to the communities and environments they traverse. We are excited about the potential of ISTEA to further these goals.

I. INTRODUCTORY COMMENTS

A. ISTEA Opportunities

The Intermodal Surface Transportation Efficiency Act of 1991, for the first time, considers "the overall social, economic, energy, and environmental effects of transportation decisions" (ISTEA Sect. 1025(c)(1)) on communities. It is a holistic approach to transportation ensuring that projects will not only move people and products, but will enhance the communities they serve.

The implementation of ISTEA mandates transportation planning far beyond the scope of any prior process. It recognizes the need for consistency between transportation decision making and the provisions of all applicable short-range and long-range land use and development plans. The new process will anticipate future needs and provide benefits beyond transportation.

The turnabout to begin implementing a new process and approach to projects - not just designing highways - is a difficult transition. How do we begin to envision this new era of transportation - this new intermodalism and the new holistic approach? The new process mandates increased community participation, but may fall short of educating our communities about the impact of transportation projects and the opportunities inherent in ISTEA. ISTEA comes to us at an opportune time for areas like the Flathead Valley experiencing profound changes and rapid growth.

B. Intermodal in Rural Areas

In the Flathead Valley, we have the opportunity to plan

before major growth occurs and to learn from other communities' mistakes. Because rural communities have not experienced gridlock and strip development - classic symptoms of failed transportation planning - a vision which embraces intermodalism will first require education to change transportation habits.

We anticipate problems unique to expanding rural areas which are unlike the problems occurring in an urban setting. Intermodalism, inclusive of all the various modes of transportation, will fail to be efficiently utilized in rural communities if the various modes of transportation are not thoughtfully integrated. Commuters will not choose to take a bus from Whitefish to Kalispell if they must walk 12 blocks from the bus station to their places of work; an system providing local transportation must be incorporated.

In an urban setting with a high volume of use, an integrated intermodal system can be fiscally feasible; how do we design an integrated intermodal system at a cost that is feasible in rural areas? It will require creativity and a vision of the future. It will anticipate the necessity of efficient use of energy and the need to protect the natural resources of the community.

In inner-mountain areas, such as the Flathead Valley, environmental quality will deteriorate rapidly with growth and the influx of people and automobiles. ISTEA provides some opportunities to address this problem, but not for rural areas. We need the same help provided for metropolitan areas before we reach "non-attainment" status and other related problems.

Tourism in rural areas presents its own unique set of problems and opportunities: how do tourists get from one mode of transportation to another easily? How do you design a rural transportation system to accommodate peak usage? How do local governments fund the design, implementation and operation of systems geared to service 2 to 4 times the local population? Research is needed to implement intermodalism in rural areas.

C. Transportation Planning in Rural Areas

The western and southern corridors, from Glacier National Park to Yellowstone National Park, need to be studied as a whole. Every inner-mountain valley - the Flathead, the Mission, Bitterroot, and Galatin - is experiencing rapid growth with no long term vision for transportation needs. Past planning in these areas simply responded to current needs.

The Metropolitan Planning Organizations - federally funded long term planning teams authorized and mandated by ISTEA - are only available to communities with populations exceeding 50 thousand. By the time Montana's inner-mountain valley communities reach populations in excess of 50 thousand,

transportation planning will be extremely difficult to accomplish and the associated costs will be many times greater than if long term planning begins today.

Even if the definition of MPO's were expanded to include areas like the Flathead, county level participation in the planning process would be difficult because local planning offices are already under staffed and backlogged. A granting program within ISTEA to assist county governments with the job of long range transportation planning will help implement ISTEA.

D. Education for Implementation of ISTEA

The vision and intent of Congress embodied in ISTEA will not be realized unless local and community leaders and state DOT personnel are knowledgeable about ISTEA. Local education programs about the opportunities that ISTEA provides and the long term impacts of transportation choices will help ensure the implementation of ISTEA. Some possibilities for public education are: expanded yearly seminars, such as the Transportation Planning For Livable Communities seminar sponsored by FHWA, etc.; video presentations that describe the minimum planning processes required under ISTEA, such as the FHWA Visual Impact Assessment film; and local distribution of the results of the various research and studies being conducted under ISTEA.

Public education should assist communities to identify the broad impacts of transportation projects, to identify issues that are important to their communities - today and 20 years down the road.

State DOT personnel and their consultants may also find the broad inclusive vision of transportation planning under ISTEA a challenge. Requiring a minimum of educational courses will help ensure the implementation of ISTEA.

E. FHWA Project Review

State FHWA offices should be responsible for the incorporation and implementation of the intent, concept and process of ISTEA in all transportation projects which involve federal funds. To that end, some type of in-process review is necessary to monitor implementation of ISTEA. By the time a final design project and NEPA document go to FHWA for approval, the opportunity to guide the process has past.

II. COMMENTS ON PUBLIC LAW 102-240

SECTION 2

ISTEA is innovative legislation which can help provide areas

like the Flathead Valley with tools to look toward a quality future. The very concept of intermodalism requires all of us to think differently about transportation issues. This change will take much time and effort. We will need the support of information, research, capital investment and granting programs to make the transition.

TITLE I.-SURFACE TRANSPORTATION

PART A-Title 23 Programs

Section 1007 Surface Transportation Program

(c) Transportation Enhancement Programs. The concern is that enhancement programs are taken to literally to mean something that can be added to a project to mitigate the impacts of that action. The intent of this section of ISTEA should be better defined to ensure that enhancements are an integral part of the design process of every project. That the enhancements are used to better address all the issues and concerns of the proposed projects within the context of the process - not as an after thought to mitigate the impacts of an action. (Additional text in IV. CONCLUDING COMMENTS.)

The American Society of Landscape Architects and a host of other organizations looked upon the transportation enhancements provisions of ISTEA as "the best thing to come along the pike in a long time. For the first time, the harm that transportation infrastructure unwittingly does to the environment and to the character of an area, rural or urban, can be mitigated" - or avoided.

But the administration of the enhancements program by the states has been uneven, according to ASLA. And there seems to be little of the emphasis anticipated to really make a difference with these funds, rather than carry on grants-making as usual. Without regulations, it seems that the FHWA will be unable to make this program function effectively across the nation. For example, there has been little specific information from FHWA on what the enhancements categories entail. ASLA, working with the other members of the Surface Transportation Policy Project, drafted suggested guidelines which could help implement regulations, but FHWA has not adopted or endorsed these.

We hope that the enhancements program does not get judged, four years from now, as a program that failed, that missed its mark. That is a completely unnecessary fate for this excellent strategy for effective planning and design.

Section 1024 Metropolitan Planning

(b) Designation. Western rural areas experiencing rapid growth are generally precluded from the advantages of Section 1024 by the minimum population requirement of 50,000. Rural areas

such as the Flathead are or will soon be facing many of the same problems of the urban areas that this section addresses. If resources and funding defined under this section were available, it would allow these rural areas the opportunity to plan for the future instead of acting after the fact - saving many dollars and headaches.

Some of the concerns unique to this area are: limited land area - once the valley floors become urbanized it will be very difficult and expensive to plan and implement new transportation solutions to solve the results of that urbanization. Growth should be planned in conjunction with transportation; counties like the Flathead are fiscally unable to cope with rapid growth and have little hope of implementing innovative transportation solutions without financial help.

(g) Long Range Plan. These plans, required for urban areas, could ultimately be even more effective in areas of projected growth.

(h) Transportation Improvement Program. Same as (g) above.

Section 1025 Statewide Planning

(c) State Planning Process. The minimum considerations defined under Section 1025(c) should also be incorporated under Section 1024, Metropolitan Planning.

Instruction addressing each of the considerations in the process, such as the video produced by FHWA and MNDOT, Visual Impact Assessment: A Six Step Process for Evaluating Transportation Projects, would help states and communities understand and properly analyze the minimum considerations required under Section 1025(c).

ISTEA mandates that the effect of transportation on land use be addressed, but the ability and desire of DOT'S to accomplish this task will require education.

Section 1047 Scenic Byways

(3) Functions. We are anxious to see the criteria developed for designation purposes.

Section 1090 Methods to Reduce Congestion During Construction.

Results of these studies will benefit rural areas where limited alternatives are available for re-routing traffic during construction. This is especially true in the Flathead, where peak traffic/tourism flows coincide with the construction season. Disruption of tourist traffic during construction can severely impact the economic well-being of tourism dependent communities.

Section 1101-1102 Study on Impact of Climate Conditions.

Need results. Do these studies take into account the effects

of various soil conditions? - a critical concern in the Flathead.

TITLE III.-FEDERAL TRANSIT ACT AMENDMENTS OF 1991.

Section 3004 Federal Transit Administration.

(a) Redesignation of UMTA. Mass transit, especially integrated intermodal, is a new concept in rural areas. The name and theory have changed, but guidance and research are needed to help rural states understand and implement this policy change.

Section 3005 Findings and Purposes.

(a)(4) Same as 3004(a) above.

Section 3006 Major Capital Investment Program.

(b) Corridor Development. Ability to acquire future ROW is critical in areas like the Flathead

(d)(3) Allocations - Areas Other than Urbanized Areas. What levels of funding could this section provide for the Flathead?

Section 8 Metropolitan Planning.

(all sections) Concerns are the same as expressed for TITLE I-Section 1024.

TITLE V. INTERMODAL TRANSPORTATION

Section 5003 Model Intermodal Transportation Plans.

(a) Research and educational assistance is necessary to help rural areas implement this program. Are the funding levels significant enough to allow rural states to be thorough and innovative in their approach?

Section 5005 National Commission on Intermodal Transportation.

(all) Results of the studies mandated under this section must be disseminated to rural states and communities in some useful form applicable to them. The studies need to address the transportation of products and people to help rural areas plan for economic expansion.

TITLE VI. RESEARCH

Part A - Programs, Studies and Activities

Section 6002 National Highway Institute.

Minimum Institute attendance requirements for state DOT administrators will help with the implementation of programs and courses.

Section 6010 Council on Surface Transportation Research.

(all) State and community access to results and specific information is important.

III. COMMENTS ON SPECIFIC LOCAL TRANSPORTATION PROJECTS

A. Big Mountain Road

Current design alternatives on this project fail to implement the intent of ISTEA. At the last public hearing, public comment was overwhelmingly in favor of developing some type of mass transit alternative; to date, none has been developed. Many of the minimum criteria mandated by ISTEA - visual resources, long term planning, methods to reduce traffic congestion, coordination with connecting routes, etc. - have not been addressed in the process.

B. U.S. Highway 2, Columbia Heights to Hungry Horse

Should the FHWA encourage MDT to incorporate the intent of ISTEA into projects that have design work in progress? This project is of significance because of the following issues: the corridor is adjacent to a Wild and Scenic River; it is the western corridor to Glacier National Park and it affects an important local historic site.

C. U.S. Highway 93, Whitefish to Somers

This project is a microcosm of all the issues addressed in the ISTEA legislation. This an opportunity for the FHWA to provide a regional example of the implementation of ISTEA. Some of the critical issues are:

SAFETY: current and future traffic volumes; peak seasonal traffic volumes; vehicle mix; driver mix; vehicle and driver mix should be incorporated in highway capacity studies; pedestrian and bike utilization; weather conditions; access control - median and roadside (as defined by AASHTO).

CONSTRUCTION IMPACT: tourism; congestion; economic impact; project longevity.

LAND USE: community centered growth; potential future ROW costs; land values; agricultural lands; open space; visual impacts; tourism enhancements.

VISUAL RESOURCES: tourism; scenic byways potential; quality of life; economics; scenic easements. The Flathead Valley is not only a local treasure, but it is the western gateway to Glacier National Park.

CULTURAL RESOURCES: retention of corridor character, historic and cultural.

INTERMODAL: ensure safe utilization of the transportation

corridor for pedestrian and bicycle traffic; long term planning for integrated transportation systems; retention of environmental quality standards.

AIR QUALITY: inner-mountain valleys with expanding populations and tourism economies are subject to increasing air pollution and potential "non-attainment" status.

ENERGY: efficient movement of both people and products; NHS highways (U.S. Highways 93 and 2) intersect in the Flathead Valley carrying some of the largest volumes of traffic in the state, in an area that is not serviced by the interstate system, it is important to take into account the burden placed upon the NHS system in the Flathead.

SIGNAGE/ADVERTISING: safety; tourism; visual impacts; social/economic.

RIGHT OF WAY: land owner concerns; community concerns - building the right project now to mitigate future ROW acquisition; agricultural use of ROW; maintenance costs and responsibilities; long term planning for future ROW needs.

SOCIAL/ECONOMIC: community centered growth vs. urban sprawl; construction interruptions; tourism; quality of life issues.

D. U.S. Highway 93 Corridor, Canada border to Idaho border

There is a need for an overall transportation plan for the Highway 93 corridor. All of the issues discussed (above) for Highway 93, Whitefish to Somers, apply to the entire corridor. Every community along the corridor will also have individual concerns unique to themselves that must be incorporated into an overall transportation plan.

IV. CONCLUDING COMMENTS

A. Montana Transportation Project

Montana communities are excited by the opportunities possible under ISTEA. The Montana Transportation Project is a coalition formed under AERO (Alternative Energy Resource Organization) to pursue the goals of ISTEA. MTP will provide a statewide network to receive and disseminate ISTEA and Surface Transportation Policy Project information. MTP will work cooperatively with the Montana Department of Transportation to effectively and creatively implement ISTEA.

Citizens For A Better Flathead believes that the MTP coalition will be an important resource which should receive full

support from FHWA. Granting for statewide citizens groups may be a very cost effective way of ensuring implementation of ISTEA by providing information and education at a local level.

B. Enhancements: The Concept

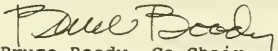
"The Federal Highway Administration is committed to design and build highways that fit harmoniously into communities and the natural environment." (Visual Impact Assessment: A Six Step Process For Evaluating Transportation Projects, FHWA & MNDOT video)

Enhancements are project designs that enhance communities and the environment, it is a holistic approach to planning for livable communities mandated by Congress and FHWA. Enhancements must be an integral part of transportation planning and design.

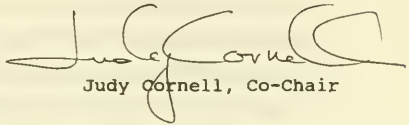
Enhancements must be incorporated in the design process from the beginning, rather than as an after thought. It is important that transportation projects be truly built from the ground up, incorporating community interests, natural and human resource concerns, and long term visions. Congress and FHWA recognized the failure of transportation planning which focused only on road construction to the detriment of the communities which they were to serve.

In Montana, we have the opportunity to plan before major growth occurs. We have the opportunity to be innovative and futuristic in our planning. We have the opportunity to learn from other communities' mistakes by embracing the wisdom of ISTEA.

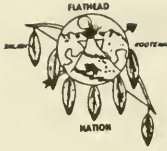
Sincerely,



Bruce Boody, Co-Chair
Transportation Committee
Citizens for a Better Flathead



Judy Cornell, Co-Chair



THE CONFEDERATED SALISH AND KOOTENAI TRIBES
OF THE FLATHEAD NATION

P.O. Box 278
Pablo, Montana 59855
(406) 675-2700
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Joseph E. Dupuis - Executive Secretary
Vern L. Clairmont - Executive Treasurer
Bernice Hewankom - Sergeant at Arms

Testimony of the Confederated Salish
and Kootenai Tribes of the Flathead Nation

Environment and Public Works Committee

TRIBAL COUNCIL MEMBERS:
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Laurence Kermille - Vice Chairman
Elmer "Sonny" Mongeau, Jr. - Secretary
Arlene "Tony" Incashole - Treasurer
Louis Adams
Lloyd Irvine
Patrick Lathand
Henry "Hank" Baylor
John "Chris" Lozeau
D. Fred Matt

Hearing on the Implementation of the Intermodal Surface Transportation
Efficiency Act of 1991

Good morning Senator Baucus and Secretary Pena. My name is Tony Incashola, I am a member of the Tribal Council of the Confederated Salish and Kootenai Tribes (Tribes). Thank you for inviting me to provide testimony today. I would also like to take this opportunity to thank Senator Baucus for his efforts in getting the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) enacted. The Tribes applaud Congress for establishing a new vision for surface transportation in America and for the first time, recognizing tribal governments' role in transportation planning that affects tribal reservations and homelands. We whole-heartedly support the goals of the ISTEA to create jobs, reduce congestion, rebuild our infrastructure and to give tribal governments a stronger voice in environmental issues related to transportation.

Historically, the Bureau of Indian Affairs (BIA) has taken the lead role in road planning, engineering, construction, and maintenance of roads on the Flathead Indian Reservation. In recent decades the Tribes have contracted many BIA programs and are now strongly interested in developing and implementing a reservation transportation plan. Especially after participating in the environmental review process of the proposed expansion of U.S. highway 93 through the Flathead Indian Reservation, transportation planning is among the crucial services in which we look forward to playing a bigger role to better serve our tribal members and reservation residents.

The areas of most concern to us in the implementation of ISTEA are: first, the delays and lack of guidance available on how tribes can access funds allocated to Tribes under the provisions of the Act; second, Montana Department of Transportation's Enhancement Program effectively shut out tribal participation in enhancement projects; third, the Montana Department of Transportation (MDOT) has not adequately responded to tribal requests to involve tribal governments in the state-wide transportation plan and long range planning required by ISTEA; fourth, in direct conflict to the provisions of ISTEA, the Portland Area Office of the Bureau of Indian Affairs (BIA), has allocated funds without tribal consultation and has turned back funds without putting tribes on notice that certain funds are available.

The Tribes have had considerable difficulty in obtaining information and guidelines from the Portland Area Office of the BIA on the funds available to Tribes pursuant to ISTEA funding allocations. In particular, the Portland Area Office of the Bureau of Indian Affairs has not provided tribes with information, in a timely manner, on how to access the transportation planning funds. Although funding has been available to the BIA since 1992 under the Indian Reservation Roads Program of ISTEA, the Portland Area Office did not notify the Tribes of the availability of these funds for fiscal year 1992. In spite of this lack of notice, in 1992, the Tribes did submit a proposal under the Self-Determination Act to the Portland Area Office for transportation planning activities -- which is particularly crucial due to the planned expansion of U.S. Highway 93 through the Flathead Indian Reservation. This contract for proposal was not funded in 1992 by the Portland Area Office. The Portland Area Office kept this proposal for consideration in fiscal year 1993. This proposal has been pending for eight months and we have yet to receive a satisfactory reason for the delay in the review of this proposal. This delay has created hardship on the Tribes and prevented us from participating in transportation planning in the meaningful manner intended under ISTEA.

In addition to the difficulty we have experienced in accessing funds from the Bureau of Indian Affairs, we have also had difficulty in accessing ISTEA funds distributed to the States. The MDOT designed a Community Transportation Enhancement Program which allocates the majority of the enhancement set-aside funds to counties and incorporated municipalities. Before this

allocation process was established, the Tribes strongly objected to this type of program which did not include tribal governments in the distribution. Since the intent of the ISTEA was to provide greater opportunities for tribal input and involvement in transportation planning, the Tribes believe that it is essential that Montana tribes also be given the opportunity to receive these funds on an equal basis with local governments.

The Tribes have made several requests to the State of Montana to be a meaningful partner in the development of the state-wide transportation plan mandated by ISTEA. We hope that Montana will honor our request and that we will have a meaningful voice in all transportation planning that will affect the Flathead Indian Reservation and our aboriginal territory. This is particularly critical due to the location of the Flathead Indian Reservation and the increased tourism and population growth in Western Montana. ISTEA recognizes that transportation planning must include consideration of the impacts such plans will have on communities and community values and goals.

Since the Flathead Indian Reservation was created in return for the Tribes ceding millions of acres of land to the United States, the Tribes have a very strong interest in protecting our reservation and aboriginal homelands. The Tribes are very concerned about the impacts the proposed expansion of U.S. Highway 93 will have on our reservation resources and environment. The Tribes believe that the safety considerations and expansion of U.S. 93 can be addressed while preserving the natural and cultural character of our reservation. Other states, such as Washington, have considered environmental, scenic, and cultural impacts and values in designing highway projects. We strongly recommend that in designing U.S. Highway 93, that level of service and capacity considerations be balanced with the community's desire to preserve the natural and cultural character of our beautiful homelands.

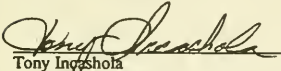
In addition to U.S. Highway 93 issues, the Tribes want to be included in any State-wide plans or discussions regarding tourism and trade/commercial routes through the Flathead Indian Reservation since any of these types of designations will have dramatic impacts on our homelands. This includes any classification or any reclassification of roads within the boundaries of the

Flathead Indian Reservation.

The Tribes appreciate your efforts in reviewing the implementation of ISTEA. The Tribes stand ready to provide you and your staff with assistance in developing recommendations to address our concerns and to assure that the intent of ISTEA in providing Tribes with meaningful participation in transportation planning is carried out. Thank you for this opportunity to provide this testimony.

Respectfully submitted,

April 14, 1993



Tony Ingoshola
Tribal Councilman

04/04/93

10:23

FLATHEAD BASIN COMMISSION

001



Flathead County Area IX Agency on Aging

Courthouse East, 723 5th Ave. East

Kalispell, Montana 59901

Phone 756-5640

April 12, 1993

Federico F. Pena
United States
Secretary of Transportation

Dear Sir:

Please find enclosed written testimony in regard to Eagle Transit, a division of the Flathead County IX Agency on Aging.

Eagle Transit serves the elderly, disabled and general public of Flathead County, Montana. Flathead County is 5,280 square miles and has 59,218 residents of which 17.3% are 60 years of age and older. General population has grown 13.7% and those over 60 years of age has grown 33.9% from 1980 through 1990.

The County is a retirement and recreation area, a regional medical center and hosts a community college. Unmet transportation needs have increased because of these growth factors.

Rural transportation appears to be caught in a vice. The American Disabilities Act and proposed Drug and Alcohol Testing will cause costs of providing the same level of service to increase. While costs of providing the services will increase, the State of Montana has received 23% less Section 18 funding for the upcoming year for transportation.

Thank you for your interest in rural transportation issues.

Sincerely,

Deanna Thielman
Program Manager
Eagle Transit

EAGLE TRANSIT**Background**

Eagle Transit provides transportation service to Flathead County. Fixed route and dial a ride services are provided for the elderly, persons with disabilities, low income and general public. Service is provided with in-house buses and through contracts with private providers and other agencies. A weekly average of 120 hours of service is provided.

Fixed route transportation within Kalispell.

Weekly service is provided to and from Kalispell for Columbia Falls, the Canyon Area and Whitefish.

Dial A Ride services are provided within Columbia Falls, Columbia Heights and the Canyon Area, Kalispell and Whitefish.

Funding sources are provided by Section 18, of the Federal Transit Act, Section III B of the Older Americans Act, Social and Rehabilitation Services, Flathead County, Northwest Healthcare, United Way, and fares and/or donations for an annual operating budget of \$155,000.00.

Ridership Demographics:

October 1991 - September 1992

County Wide Ridership	40,814
Kalispell Ridership	35,916
Elderly rides	45%
Disabled rides	50%
General Public Rides	5%

Vehicle Inventory

Vehicle Type	Capacity	Year	Mileage	Condition
Champion Bus	18/2WC	1993	on order	
Ford/Diamond	16/2WC	1989	111,000	Fair
Ford/Wayne	12/2WC	1987	120,000	Fair
Dodge Van	15	1986	92,000	Fair
Dodge Van	15	1986	105,000	Fair
Ford T-Top	9/1WC	1984	89,000	Fair
Dodge Van	15	1977	130,000	Poor

Service Demand

The demand for transportation services continues to increase. Contributing factors are:

- * General population growth.
- * The growth of the elderly population. Currently the elderly population is 17.3% of the total population and 24.4% of the city of Kalispell's population
- * The growth of the medical community, particularly the Cancer Treatment Center, Health Promotion Center and Outpatient services. Currently unable to meet the needs for therapy rides and medical outpatient services for residents outside the vicinity of Kalispell.
- * Title II of the 1990 American Disabilities Act requiring equal access to public transportation increasing the need for lift equipped vehicles and requiring a corridor of 3/4 of a mile on each side of a regularly scheduled route and at the ends of each fixed route. Small areas around the corridors must also be served.
- * Increased ridership to Flathead Valley Community College. Ridership has doubled since September 1992.
- * Loss of housing for low income residents within the city core of Kalispell.
- * New low and moderate income housing units built and planned on the periphery of Kalispell and Whitefish increasing demand for expanded transportation services.
- * Movement of low income residents into the rural areas (15 miles or more) from the cities to find reasonable rental housing. This population is generally multi-barriered.

Adverse Fiscal Factors:

- * Decrease in Section 18 funds. 23% decrease to the State of Montana from previous year.
- * The proposed Drug and Alcohol Testing Regulations will increase operating costs, particularly the maintenance requirement as Flathead County Road & Bridge Department performs all maintenance. The Department has 61 union employees.
- * Inadequate funding to replace aging equipment.

- * ADA requirements to establish "service corridors" and lift equipped vehicles.
- * Rapidly growing demand from increasing an aging population in economic need.

Our Successes:

- * We have generated more funds from the community, i.e. United Way, the medical community, riders, increased donation and increased contract income.
- * We have maintained existing equipment in a manner that has given us extended service without jeopardizing safety.
- * We have economized and prioritized routes whenever possible to insure those in greatest need are served.
- * We have made greater use of volunteer drivers wherever it is possible without unduly jeopardizing the public.

Immediate Needs:

- * Increased funds for the increased operating cost to comply with the ADA.
- * Increased funds for the replacement and procurement of new vehicles.
- * Increased funds to meet the rapidly expanding growth in medical rides resulting from the regionalization of major health care facilities.
- * Increased funds to keep pace with the rapidly growing aging population. Currently it is the fastest growing segment of Flathead County's population at over 34%.
- * Increased funds to meet the cost of implementing the upcoming drug testing requirements.

TESTIMONY OF H. GILBERT LUSK, SUPERINTENDENT OF GLACIER NATIONAL PARK

Dear secretary Peña and senator Baucus, thank you for coming to Northwestern Montana to hear first hand about the local challenges that result from development of America's Interstate Highway system.

You are meeting just down the block from the junction of two Federal Highways: US 2 that spans mountains and prairie in following Montana's "highline", and Us 93 that bisects some of West's most spectacular valleys: the Salmon, Bitterroot, Mission, Flathead, and Tobacco.

These highways are vital to our commerce and industry, including the increasingly important tourism industry. Just as importantly however, they help shape our way of life by providing safe and efficient transportation among rural communities.

The location and condition of Montana's highways play a key role in determining where land development occurs. Highways help Montanans determine for example how far one is willing to commute to work or where new business enterprises will be located. simply stated, highways such as US 2 and Us 93 are instruments of growth.

As others have or will testify, this growth does not come without its downside. Strip development and billboards mar spectacular landscapes, and highways often stimulate growth in areas that are ill prepared for it because of poorly developed infrastructure or, as is the case in much of Flathead County, because there is no rural zoning.

I will not dwell on the complex problems that highway improvements can bring. Instead, I would like to draw your attention to a local effort between citizens and government to try to resolve some of these problems by forming a partnership with the Montana Department of Transportation and the Federal Highway Administration. US 2 serves as the principal access to Glacier National Park. In addition, this highway provides access to other nationally important recreation areas including the Flathead National Forest, the Bob Marshall Wilderness Complex, and the Flathead Wild and Scenic River.

As US 2 approaches the West entrance of Glacier National Park it passes through the small, unincorporated communities of Hungry Horse, Martin City, Coram, and West Glacier. The highway corridor in this area is locally referred to as "The Canyon". Considerable land between Canyon communities remains undeveloped, thus providing a scenic transition between the Flathead Valley and the mountainous areas of Glacier National Park and the Flathead National Forest.

To the east of West Glacier, Highway 2 follows the Middle Fork of the Flathead River as it climbs towards the Continental Divide. Magnificent panoramas of the Park, National Forest, and Middle Fork can be seen along much of this route. Black and grizzly bears, bald eagles, elk, moose, deer and mountain goats are common in the area and excellent opportunities exist to observe wildlife from US 2.

The Canyon area is in the midst of a growth boom. Evidence of this can be seen in the commercial strip that is spreading between Columbia Heights and West Glacier, as well as in the rapid increase in the number of new residences in the area. Such development is causing Canyon communities to lose their identities as distinct commercial and residential centers.

The more unattractive and damaging consequences of growth in the Canyon include: commercial sprawl along US 2 and between the existing communities, increasing numbers of billboards, "security" fencing that impedes wildlife migration, increased air pollution from wood burning stoves, more law enforcement problems, and heavier traffic through town centers.

An important catalyst for recent growth in the Canyon are the 1987 improvements to US 2 between Hungry Horse and West Glacier. This realignment and road-widening effort changed the highway from a winding, narrow country road to a modern 2-4 lane highway. It also substantially improved winter driving conditions between the Canyon and the Flathead Valley.

Similar highway improvements are scheduled to begin in the mid 1990's on the 4.5 mile segment of US 2 between Columbia Heights and Hungry Horse (Project F1-2 (39)138—Flathead County, MT). Removal of this 11bottleneck" will further improve the access between the Flathead Valley and Canyon destination sites, thus making it even easier for those who chose to reside in the Canyon and work in the Flathead Valley. Such improvements will also provide further impetus for both commercial and residential development of an area that already has a stimulated real estate market.

In recognition of these problems, a citizens group has formed to promote a locally driven planning effort for the private lands in the Canyon. The group's immediate goal is to seek funding for a professional planner who will work with local residents

and business owners on a growth management plan—a plan that will help preserve the area's environmental amenities and small town nature, while still allowing for reasonable growth.

The Montana Department of Transportation (MDOT) is assisting in this process by providing funding for the data gathering aspects of the planning effort. MDOT is doing so in recognition of the fact that some of the growth occurring in the Canyon is related to past and proposed future highway improvements.

Other organizations that are contributing resources to this effort include: the Flathead Regional Development Office (in charge of County planning), the Flathead Economic Development Corporation, (a private, non-profit), the National Park Service, the U.S. Forest Service and the Canyon Citizen Initiated Zoning Group. The Federal Highway Administration, Montana Division, has been supportive of this project from the outset.

The planner would be hired on a contract basis by Flathead County.

I want to personally express my thanks for the financial assistance that the Montana Department of Transportation has offered in support of this planning effort near Glacier National Park. The Department has taken a progressive step towards ensuring that the changes on lands adjacent to this magnificent highway occur within the context of a rural growth management strategy.

My hope is that the Canyon planning effort will be a productive partnership between state, federal and local government agencies and the residents and business owners in the area. All involved in this process stand to gain from the outcome.

This project is an example of the cooperative and innovative problem solving embodied in the Intermodal Surface Transportation Efficiency Act of 1991. I am hopeful that it will serve as a model of how government and local interests can jointly plan solutions to problems associated with the future development of America's Federal Highway system.

On a related matter, I would like to express the National Park Service's appreciation for the efforts that the Montana Department of Transportation (with the support of the Federal Highway Administration) is making to purchase private holdings near the entrance to Badrock Canyon. This is being done as a part of the environmental mitigation for Project F1-2(39)138—Flathead County, Montana.

I have seen what incompatible land use has done to approach highways at other National Parks and believe me this is an expenditure of dollars for which all who drive Highway 2 should be thankful.

Thank you for the opportunity to provide testimony at this important hearing.

The City of Kalispell

Telephone (406) 752-6600
P.O. Box 1997
Kalispell, MT 59903-1997

Incorporated 1892

Douglas Rauthe
Mayor

Bruce Williams
City Manager

City Council
Members:

Gary W. Nystul
Ward I

Cliff Collins
Ward I

Barbara Moses
Ward II

Fred Buck
Ward II

Jim Atkinson
Ward III

Laven Granmo
Ward III

Pamela B. Kennedy
Ward IV

M. Duane Larson
Ward IV

April 13, 1993

Honorable Senator Max Baucus, Chairman
Senate Committee Environment and Public Works

RE: Written Testimony for the Record
Committee Hearing - Kalispell, Montana
April 14, 1993

Mr. Chairman, Secretary Pena, Committee Members, Ladies
and Gentlemen:

As Mayor of Kalispell, it is an honor and gives me great pleasure to welcome you to our friendly little city, the magnificent Flathead Valley and to the Great State of Montana.

First, Senator Baucus, I thank you for your tenacious efforts for all of us back home - especially the citizens of Kalispell and the surrounding area. Thanks for not forgetting us. Thanks also for listening to the concerns and needs of the residents and businesses of this Highway 93 corridor. The choices for implementation of ISTEPA will either preserve or forever change the character of this valley during the next few years.

During the many years it took to complete the Interstate System in Montana, all major highways in northwest Montana were largely ignored. Now, we have Kalispell with Highways 93 and 2 intersecting in our downtown. Heavy truck traffic is bogged down at right angle turn intersections. Millions of tourists use both of these highways to visit Glacier National Park, The Big Mountain, Flathead Lake and, of course, Kalispell. The mix of trucks, tourists and local traffic has become very dangerous and cumbersome. Our situation becomes unique when you consider that our valley is not served by the Interstate System. The nearest freeway at Missoula is 110 miles south on Highway 93 - a two lane highway most of the way.

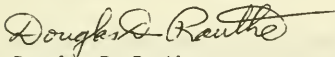
Largely due to your efforts, Senator Baucus, the Kalispell area is finishing a year-long Transportation/Truck Bypass Study. Federal, State, County and substantial City funding went into this coordinated \$200,000 plus effort. The truck bypass route alternatives will be considered in the Highway 93 E.I.S. Project, which is just underway. Mr. Chairman, I need to stress the importance of Federal funding being available for right-of-way acquisition and construction of the critically needed truck bypass as soon as the study and E.I.S. are complete.

Obviously, the Highway 93 projects from Kalispell-to-Somers and Kalispell-to-Whitefish must continue to be "fast tracked" until construction is complete. The economies of the several communities and the tourist industry must be considered. Safety of the highway users must be foremost in the ultimate design and/or designs chosen for the various segments of Highway 93. The construction schedules for the several highway projects in the Valley must be carefully coordinated to insure that commerce and tourists can comfortably come to and go from our area. The projects should be bid in small enough increments that local and state contractors will be able to bid.

Finally, the design of all future highways in western Montana should consider the unique, fragile scenic quality of our environment. We believe this jewel we call home is truly the "last best place". If this quality of life is not preserved by us today, it will not exist to be enjoyed by our children tomorrow.

Thank you very much.

Sincerely,



Douglas D. Rauthe
Mayor

DDR/ms

McCone County

Circle, Montana
- 59215 -

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TREASURER

SUPT. OF SCHOOLS
Janet L. McCabe
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485-3590

FOR THE RECORD, MY NAME IS CONNIE EISSINGER,
CHAIRMAN OF THE MCCONE COUNTY COMMISSIONERS.

THE MCCONE COUNTY COMMISSIONERS FEEL VERY STRONGLY THAT EASTERN MONTANA HAS LITTLE CHANCE FOR DEVELOPMENT IN ANY CAPACITY WITHOUT ADEQUATE HIGHWAY SYSTEMS. WE DO APPRECIATE THE CONSTRUCTION THAT HAS BEEN TAKING PLACE IN EASTERN MONTANA, AND ESPECIALLY ON HIGHWAY 13 IN MCCONE COUNTY.

THE ONE AREA WE, AS A COMMISSION, BELIEVE THE DEPARTMENT OF TRANSPORTATION SHOULD PROVIDE BETTER SERVICE IN OUR VERY RURAL MONTANA AREA, IS TO REDESIGNATE HIGHWAY 253 FROM SECONDARY STATUS TO PRIMARY STATUS, AS A CONTINUATION OF STATE HIGHWAY 13. THIS ROAD RUNS FROM BROCKWAY IN MCCONE COUNTY TO TERRY IN PRAIRIE COUNTY, AND HAS PAVEMENT AT BOTH ENDS, YET STILL CONTAINS 18.2 MILES OF GRAVELED ROAD IN BETWEEN. WITH THE CURRENT ALLOTMENT OF FUNDS TO COUNTIES FOR USE ON SECONDARY ROADS, IT ISN'T DIFFICULT TO IMAGINE THAT THIS 18.2 MILES COULDN'T POSSIBLY BE PAVED, PROBABLY EVEN IN THE NEXT 50 YEARS!

WE BELIEVE THIS ROAD TO BE OF PRIME IMPORTANCE FOR SEVERAL REASONS. FIRST, SHOULD THE PAVING OF THIS ROAD BE COMPLETED, IT WOULD PROVIDE THE MOST DIRECT ROUTE SOUTH, THEREBY BENEFITING THE WHOLE OF EASTERN MONTANA, FROM CANADA THROUGH SCOBAY, TO WOLF POINT, TO CIRCLE, TO BROCKWAY, TO THE INTERSTATE AT TERRY, TO MILES CITY, AND ON SOUTH TO BROADUS AND WYOMING. THERE IS NO SUCH NORTH-SOUTH ROUTE THROUGH EASTERN MONTANA IN EXISTANCE AND THIS WOULD BE THE MOST DIRECT ROUTE, ACCOMODATING THE NEEDS OF THE MAJORITY OF THE EASTERN MONTANA POPULATION.

MORE IMPORTANTLY, MONTANANS LIVING IN THE NORTHEAST PART OF MONTANA WOULD GAIN A DIRECT ROUTE SOUTH TO THE INTERSTATE AT TERRY TO POINTS WEST. THOSE

WHO LIVE IN THE MORE POPULATED AREAS TAKE FOR GRANTED THEIR ACCESS TO THE BILLINGS MEDICAL FACILITIES, SKIING, GOLFING, THE NATIONAL PARKS, THE ARTS, THE UNIVERSITY SYSTEM, STATE AND FEDERAL MEETINGS AND HEARINGS, SHOPPING, INTERNATIONAL AIRPORTS, AND OTHER NEEDS WHICH REQUIRES RURAL FOLKS TO PICK OUR WAY AROUND THE STATE BECAUSE THERE IS NOT A DIRECT ROUTE SOUTH TO THE INTERSTATE WITHOUT GOING OVER THIS 18.2 MILES OF GRAVEL. MANY TIMES THIS "GRAVELED" ROAD IS FURTHER COMPLICATED BY MUD, DRIFTED SNOW, OR SURFACE IN DIRE NEED OF MAINTENANCE. CHOOSING OTHER HIGHWAYS TO AVOID THIS "GRAVELED" ROAD MEANS MANY MORE MILES TO DRIVE, INVOLVING MORE OF OUR TIME IN TRAVEL AND MORE WEAR AND TEAR ON OUR VEHICLES.

IN ADDITION, THE DEPARTMENT OF TRANSPORTATION MUST ALSO CONSIDER THE SAFETY FACTOR INVOLVED IN ALLOWING 18.2 MILES OF GRAVEL TO EXIST WITHIN PAVEMENT ON BOTH ENDS OF A HIGHWAY. IT IS A HAZARD, ESPECIALLY TO TRAVELERS FROM OUTSIDE OF THE AREA WHO WOULDN'T EXPECT TO FIND IT, AND IT IS A DISGRACE TO THE MONTANA HIGHWAY SYSTEM.

THE MCCONE COUNTY COMMISSIONERS STRONGLY URGE THE DEPARTMENT OF TRANSPORTATION TO UPGRADE THE STATUS OF SECONDARY 253 TO PRIMARY AND TO ESTABLISH THIS 18.2 MILES AS A PRIORITY PAVING PROJECT.

THANK YOU.

CONNIE EISSINGER, CHAIRMAN
MCCONE COUNTY COMMISSIONERS
APRIL 13, 1993



